



HESSEQUA MUNICIPALITY

2013/2014 MTREF DRAFT ANNUAL BUDGET



Copies of this document can be viewed:

- In the foyers of all municipal buildings
- All public libraries within the municipality
- At www.treasury.gov.za



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1. INTRODUCTION

1.1 Hessequa Municipality Overview

VISION AS SET OUT FOR 2012-2016 AND BEYOND IS:

A caring municipality where everyone reaps the fruit of cost effective and innovative service delivery, stimulated economic growth and sustainable use of normal resources.

Hessequa Key Performance Areas

As mentioned in the previous section, the vision was developed after serious considerations were given to the current circumstances presented to Hessequa Municipality. Analysis was done in terms of the institutional well-being to come to grips with what the municipality is facing. The financial state of the municipality was scrutinised. The economic realities in different sectors of the economy. The well-being of our people was placed under the “microscope”. A valuable resource in the sustainable development in Hessequa is our rich, bio diverse environment. An asset, but a very fragile one, as changes in climate and extreme weather conditions continues to challenge management of our environment. The Hessequa Council has set the following 7 Focus Areas ahead of themselves with specific impacts to be made:

- ***EFFECTIVE COMMUNICATION AND PARTICIPATION.***
- ***TO LIMIT THE IMPACT OF OUR PRESENCE IN THE NATURAL ENVIRONMENT AND RE-ESTABLISH A HERITAGE OF PRESERVATION.***
- ***MAINTENANCE AND DEVELOPMENT OF ALL INFRASTRUCTURE AND SERVICES.***
- ***DEVELOPMENT OF SAFE AND INTEGRATED HUMAN SETTLEMENTS.***
- ***HUMAN DEVELOPMENT INITIATIVES TO ENHANCE THE SOCIAL WELL-BEING OF ALL OUR RESIDENTS.***
- ***TO STIMULATE ECONOMIC GROWTH FOR THE BENEFIT OF ALL COMMUNITIES.***
- ***AN ACCOUNTABLE LOCAL AUTHORITY WITH A FIT FOR PURPOSE WORKFORCE AND TRANSPARENT FINANCIAL PRACTICES.***

As the heading for this section on focus areas read, these areas need to guide all planning and investments from the municipal budgets. The feasibility of any vision is located in the change that has been brought about by the set objectives after focused investment, based on a plan of change. This plan should inevitably be the Integrated Development Plan. It is an important reminder that a plan’s credibility is located in the implementability of its objectives. “Can we achieve what we want to achieve?” should be asked. If the answer is no to this question, a municipality is most definitely in a process of compliancy only and cannot claim, with any reasonable conviction, that the vision stated will become a reality. The 3rd Generation IDP of Hessequa Municipality departed on the principles that a vision that cannot be made a reality is not feasible, credible or responsible towards our communities who are expects an accountable government. Plainly stated, a government which does what it says it is going to do. The following section would look at the alignment of the objectives conceptualised on a local level with that of National and Provincial Government.

1.2 Municipal Budget

DEFINITION OF A MUNICIPAL BUDGET

A municipal budget is generally a projection of future revenues and expenditure. A budget is used to control financial transactions and should also be used as a management and planning tool.



It is also the tool for implementing the service delivery objectives of the Municipality as set out in their Integrated Development Plan (IDP).

A municipal budget also provides for greater transparency, accountability, flexibility, and predictability within the municipality.

A Municipal budget is divided into a Capital and an Operating Budget:

- (a) A capital budget is an estimate of the expenses that will be incurred during that financial year to create future benefits, and the sources of finance from which these expenses will be funded. The municipality spends money either to buy fixed assets or to add to the value of an existing fixed asset with a useful life that extends beyond one year. Fixed assets include, inter alia, land and buildings, motor vehicles, furniture, computers, office equipment and machinery.
- (b) An operating budget is an estimate of the operating revenues which will accrue to the municipality through its normal service delivery and the expenditure that will be incurred through the day to day operations of the municipality over the financial year.

OBJECTIVE OF A MUNICIPAL BUDGET

The main objective of a municipal budget is to sensibly allocate realistically expected resources to the municipality's service delivery goals or performance objectives identified as priorities in the approved IDP.

The municipal budget is a tool through which the total level of revenue and expenditure are adequately controlled, public resources are appropriately allocated among sectors and programs, and ensure that departments operate as efficiently as possible within the municipality.

THE NATIONAL DEVELOPMENT PLAN: A NEW TRAJECTORY

The NDP provides a broad strategic framework to put the economy and society on a new trajectory. It recognizes that ours is a youthful, urbanized society, and that this presents opportunities for growth and development. It sets out a wide range of actions needed to boost growth, eliminate poverty and reduce inequality, beginning with an approach to change that focuses on enhanced capabilities and an active citizenry.



The NDP was prepared by an expert commission, and drew on extensive research and consultation through public forums with thousands of South Africans. It points out that while government will play a significant role, all sectors of society are called on to make the plan a reality.

Several strategic imperatives emerge strongly from the NDP, and have implications for public policy and budget priorities:

- South Africa's population is young. A million people leave school every year, but the economy has yet to adapt to the imperative of more rapid job creation.
- Urbanization is gathering momentum, bringing greater demands on housing, services, schools and hospitals in towns and cities.
- The quality of education and training opportunities are critical determinants of long-term growth and equality of opportunity.
- More rapid economic growth requires a more diversified economy, and greater adaptability to changing market opportunities and technology.
- Links with other emerging markets and fast-growing African economies represent strong growth opportunities.
- While there are costs associated with adapting to a low-carbon future, such adjustments can lead to new industries and new jobs.

The 2013/2014 Budget of Hessequa Municipality takes the NDP as its point of departure.

- The Hessequa Municipality budget recognizes that medium-term plans are framed in the context of long-term vision and strategy.
- The budget also focuses on strengthening growth and employment creation, and,
- Finally promotes progress towards a more equal society and an inclusive growth path.

WHAT DOES THE MUNICIPALITY SPEND ITS REVENUE ON?

The Municipality spends its revenue on the following services:

- Water, Electricity, Sanitation and Refuse Removal
- Streets and Storm Water
- Repairs and maintenance to infrastructure
- Relief for the poor
- Fire Services
- Parks
- Libraries
- Sport and recreation facilities
- Upgrading and maintenance of beaches



HOW CAN RESIDENTS BE INVOLVED IN THE BUDGET PROCESS?

The Municipality encourages public participation in the budgetary process. A draft budget can be viewed at the Municipal offices, the official Municipal website, as well as all public libraries and is open to comment after it is tabled to Council in March each year.

Once the deadline for comments has been met, amendments are considered and the final budget is approved by Council before the end of May each year. New rates and tariffs are implemented at the start of each new financial year, being 1 July.

2. MAYORAL SPEECH

The Mayor will present her Mayoral Speech at the final Budget Meeting in May 2013.

EMOR NEL
EXECUTIVE MAYOR



3. BUDGET RELATED RESOLUTIONS

The MFMA stipulates that the Mayor must table the Draft Annual Budget at a council meeting at least 90 days before the start of the budget year and the Mayor must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year.

1. That Council approves the Draft Annual Budget of the Municipality for the financial year 2013/2014 and indicative for the two projected outer years, 2014/2015 and 2015/2016, and the multi-year and single year capital appropriations as set out in the following schedules, after consideration of all public comments:
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) reflected in section 6.1 (page 35)
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as reflected in Section 6.3 (page 37)
 - 1.3 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source as reflected in Section 6.5 and 6.9 (page 39 and 43)
 - 1.4 Detailed Capital budget reflected in Annexure C.
2. That Council approves the property rates reflected in the 2013/2014 Tariff list (Annexure A) and any other municipal tax reflected in the 2013/14 Tariff list that will be imposed for the budget year 2013/14.
3. That Council approves the tariffs and charges, subsidies and discounts as reflected in the 2013/14 Tariff list (Annexure A) for the budget year 2013/14.
4. That Council approves the amended budget related policies reflected in Annexure D for the budget year 2013/14.





4. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

HESSEQUA
Munisipaliteit / Municipality / U Masipala



Rig alle korrespondensie aan die Munisipale Bestuurder
Address all correspondence to the Municipal Manager

Tel.: (028) 713 8000
Faks/Fax: (028) 713 3146
Posbus / P.O. Box 29, RIVERSDAL(E) 6670
E-pos/E-mail: info@hessequa.gov.za

Verw./Ref:

Navrac/Enquiries:

QUALITY CERTIFICATE

I, **J Jacobs**, the municipal manager of **Hessequa Municipality**, hereby certify that the draft budget and supporting documentation have been prepared in accordance with the Municipality Finance Management Act and the regulations made under the Act, and the draft budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print name: **J Jacobs**
Municipal Manager of Hessequa Municipality – WC042

Signature _____

Date: 28 March 2013

Print Name: **Councillor E Nel**
Executive Mayor of Hessequa Municipality – WC042

Signature _____

Date: 28 March 2013

Streekkantore / Regional Offices:

Albertinia - Tel: (028) 735 7858, Faks/Fax: (028) 735 1414, ☎ 12 - 6695 • Heidelberg - Tel: (028) 713 8019, Faks/Fax: (028) 722 1157, ☎ 12 - 6665 • Stilbaai - Tel: (028) 713 7831, Faks/Fax: (028) 754 1140, ☎ 2 - 6674 • Gouritsmond - Tel: (028) 713 7855, Faks/Fax: (028) 745 3129, ☎ 35 - 6696 • Slangrivier - Tel: (028) 713 7892, Faks/Fax: (028) 722 2291, ☎ 172, Heidelberg 6665 - 6665 • Jongensfontein - Tel: (028) 713 7850, Faks/Fax: (028) 755 8015, ☎ 2, Stilbaai, 6674 • Witsand - Tel: (028) 713 7868, Faks/Fax: (028) 537 1627, ☎ 7 - 6666



5. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of Hessequa Municipality's financial plan is essential and critical to ensure that it remains financially viable, and that municipal services are provided sustainably, economically and equitably to all communities.

The budget was made possible through continuous consultation with the local community, the relevant government departments and the internal departments of the Municipality to ensure that the priorities are properly aligned and addressed.

In recent months the domestic economy has lost momentum as a result of the disruption of the world economy, domestic strike activity and moderating household consumption.

This had a direct impact in the compilation of the budget as the trends in income growth statistics are still very low, indigent and poor households are growing, and property markets are not reacting to the low interest rates.

Consequently, municipal revenues and cash flows are expected to remain under pressure in 2013/14 and municipalities are encouraged by National Treasury to adopt a conservative approach when projecting their expected revenues and cash receipts.

National Treasury requires municipalities to continue to explore appropriate ways of structuring the tariffs for utility services to encourage more efficient use of these services and to generate resources required for maintenance, renewal and expansion of infrastructure. They also encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect appropriate balance between the interest of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify all increases in excess of 6 per cent.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on non-core and "nice to have" items. This has resulted in savings to the municipality. However the compilation of the new valuation roll will add R2,360 million to the councils expenditure.

The municipality reduced its capital budget out of own funds over the MTREF period for the 2013/2014 financial year from R34 546 350 in 2012/2013 to R27 421 600 in 2013/2014. The reason for the reduction is because of a lack of cash and the effect it has on the councils tariffs. The cash backed reserves were previously obtained by the sale of municipal land but due to the worldwide economic downturn, limited sale of municipal land is realized.



The municipality has an approved credit control policy and applies it strictly. The implementation of the new property rates act and the dire financial straits in which investors find themselves, has contributed to the increase in debtors. The most effective way of applying the credit control policy, is to disconnect services. Council is in an advanced stage with the handing over of arrear accounts, and the effect of the payment of outstanding accounts is starting to show positive results in the debtors figures. Over the MTREF period, collection rates should increase bearing in mind the assumption that collection rates over the MTREF period will be 100 percent plus. We are constantly busy with customer care initiatives so that a people led government is ensured.

National Treasury's MFMA Circular No 48, 51, 54, 55, 66 and 67 were used where necessary to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy.
- Ageing and increasing costs of maintenance of water, roads, sewerage and electricity infrastructure.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality.
- The increased cost of bulk water and electricity (due to tariff increases from Overberg Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable – our customers are at the point where the tariffs of the municipality are no longer affordable.
- Salary increases for municipal staff that continues to exceed consumer inflation, as well as the need to fill critical vacancies for the municipality to comply with legislation.
- Affordability of urgent capital projects.
- Affordable borrowing cost.

The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget, were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs.
- The 2013/14 MTREF budget prioritizes and targets the municipality to ensure sustainable service levels. The draft capital budget over the MTREF period provides for



- the minimum resources that are needed for the current infrastructure and does not address virtually all backlogs of the past. This will result in unaffordable capital budgets.
- The council's goal is to keep tariff increases as low as possible. Unfortunately we could not keep to the 5% increase, and the tariffs for rates, refuse and water are at 6%. The tariff increase for sewerage is 7% and the electricity tariff increase is in accordance with of NERSA proposal of approximately 6.3%. Factors such as salaries which make out a large component of the operating budget, increases by 3,2%, (salaries increase by 6,85%, new posts and notches- labour costs for the sewerage, water and electricity departments was allocated to repairs and maintenance for the first time) and capital cost have decreased by 3,26% from 2012/2013.
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

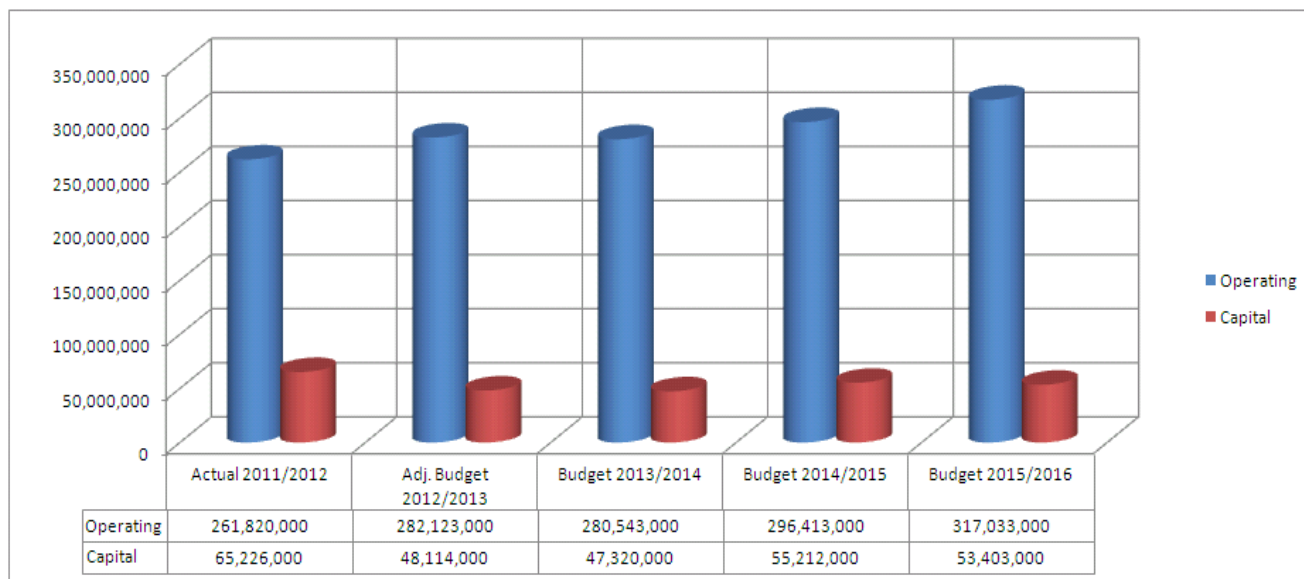




FINANCIAL SUMMARY ON 2013/2014 MTREF BUDGET

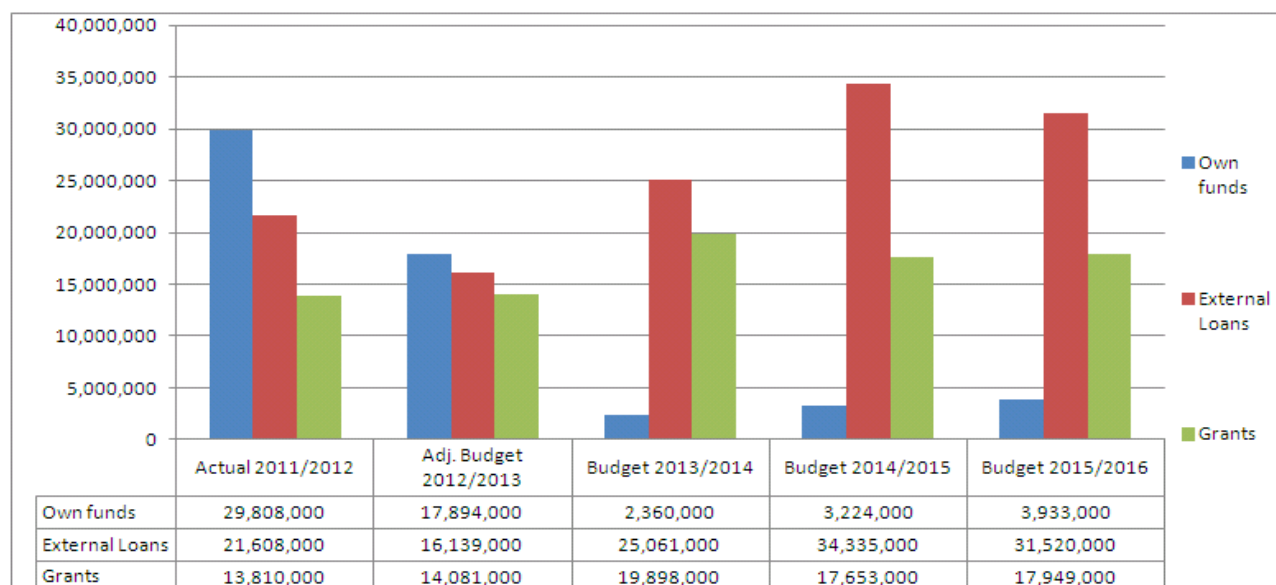
The total 2013/14 budget amounts to R327 863 159. This consists of a capital budget of R47 320 000 or 14,4% of the total budget and an operating budget of R280 543 159 or 85,6% of the total budget.

The following graph shows the operating and capital budget separately for the 2011/12 (actual) financial year and budgeted figures for 2012/13 to 2015/16 financial years:



Capital Expenditure Budget:

The following graph shows the capital budget (actual expenditure) for the 2010/11 and 2011/12 financial years as well as the revised budget for 2012/13 and proposed budgets for the 2013/14 to 2015/16 financial years:





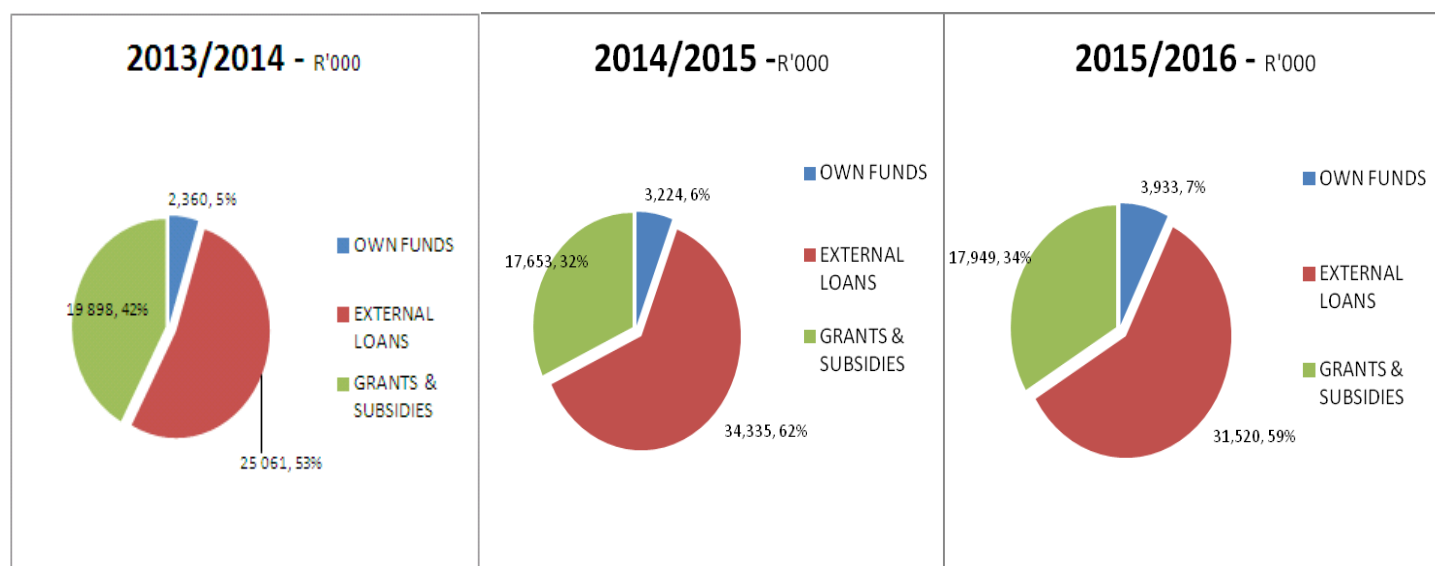
The total capital budget for 2013/2014 shows a reduction in the total budgeted amount (R47 320 000) compared to the revised capital budget for 2012/2013 (R48 114 040). This is mainly due to the declining Capital Replacement Reserve of the Municipality. Positive to this is the additional ±R5,8 million external funding for the 2013/2014 financial year on the previous year.

The detailed capital projects are shown in annexure C of this document. Also attached to this annexure is a summary showing the total amount per ward. It is clear from this summary that the capital expenditure for 2013/14 will be allocated mainly to Streets and Storm water (R7,00 million), Electrical Services (R19,16 million), Water services (R5,44 million), Sewerage (R7,35 million), Community Services (3,21 million) and Vehicles/Equipment (R4,45 million).

The detail of all these projects can be seen in the abovementioned annexure.

Financing of the Capital Budget

The following graphs gives a breakdown of the sources of finance of the 3-year capital budget from 2013/14 to 2015/16:



From the above it is clear that the main source of funding will be External Loans of R25 061 200. The high amount finance from external loans is to improve the liquidity levels of the municipality. This levels has decreased over the past years as follows:

Liquidity Ratio's	2006	2007	2008	2009	2010	2011	2012
Current Assets:Current Liabilities	2.46	1.83	1.71	1.70	1.98	1.77	1.38
Current Assets less Debtors > 30 days:Current Liabilities	2.10	1.70	1.70	1.60	1.60	1.50	1.20

MIG funding amounts to R11 990 900 and the Department of Energy R5 000 000.



The Capital Budget will be spend as per the table below:

Description	2013/2014	2014/2015	2015/2016
Electricity	19,160,000	23,020,000	17,700,000
Water	5,438,043	9,371,742	5,305,000
Sewerage	7,346,086	4,508,169	917,000
Refuse	471,957	1,280,108	1,415,050
Streets, Stormwater, Sidewalks	7,003,364	9,927,831	18,859,400
Community Assets	3,214,450	1,405,000	2,722,000
Vehicles, Office Machines and Equipment	4,453,100	5,670,800	6,456,200
Land and Buildings	233,000	28,000	28,000
TOTAL	47,320,000	55,211,650	53,402,650

During a meeting in December 2012 certain projections were tabled on future capital budgets and the financial sustainability of the Capital Replacement Reserve. Given the amendments from the revised budget at the end of February 2013, and the draft capital budget which is tabled for the next 3 financial years, it is important to revise these calculations periodically.

The amount budgeted for land sales for the MTREF period is a conservative indication of the current situation. This can however change as soon as the economy shows growth, and the property market reacts positively.

The following table analyses the projected transactions of the C.R.R from 01 July 2012 to 30 June 2016, based on the proposed capital and operational budgets attached hereto:





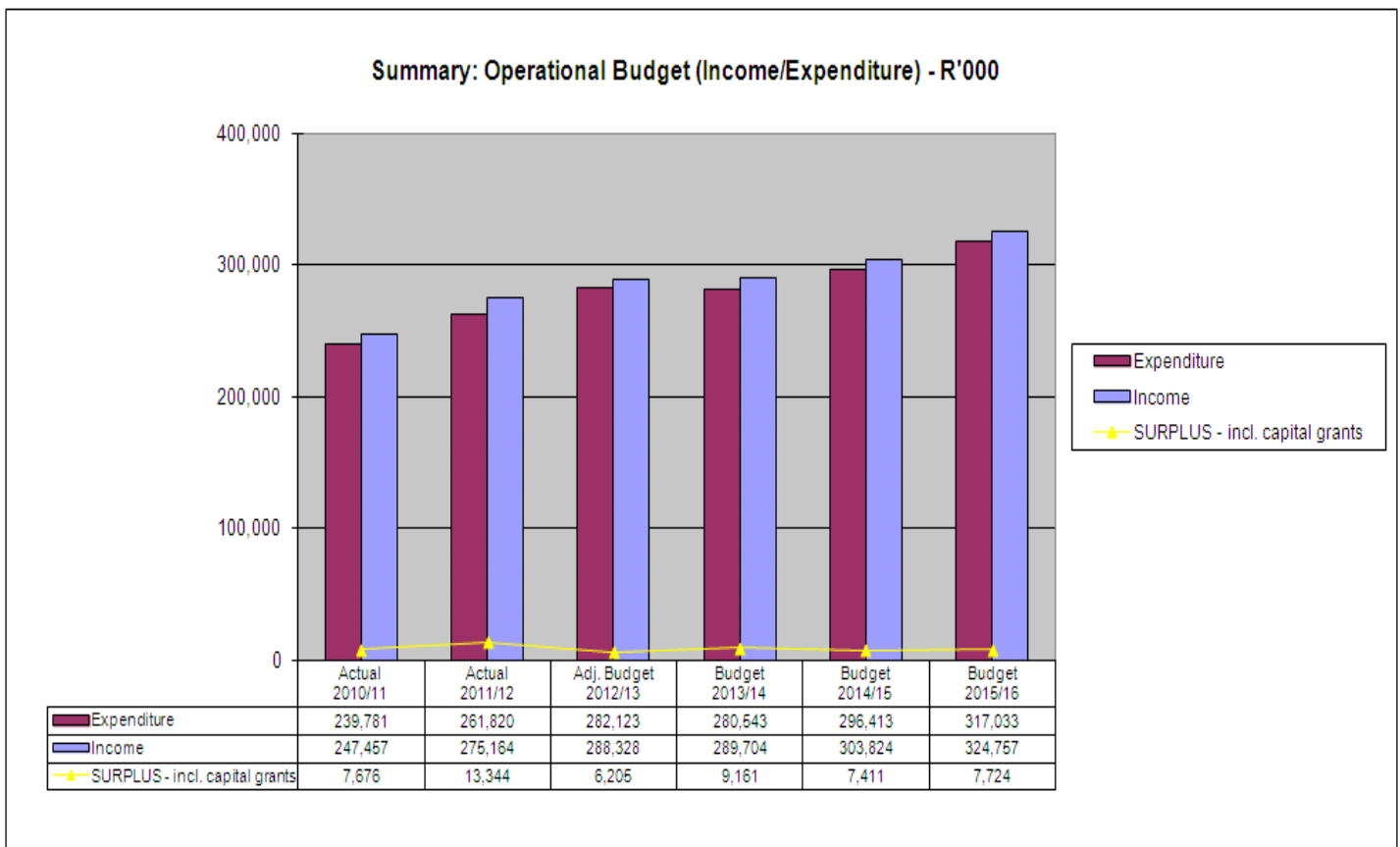
CAPITAL REPLACEMENT RESERVE	
BALANCE AS AT 30 JUNE 2012	15,274,000
2012/2013	
CONTRIBUTIONS:	
Revenue	15,453,990
FINANCING CAPITAL BUDGET - OWN FUNDS	-17,893,990
BALANCE AS AT 30 JUNE 2013	12,834,000
2013/2014	
CONTRIBUTIONS:	
Revenue	1,000,000
FINANCING CAPITAL BUDGET - OWN FUNDS	-2,360,400
BALANCE AS AT 30 JUNE 2014	11,473,600
2014/2015	
CONTRIBUTIONS:	
Revenue	2,500,000
FINANCING CAPITAL BUDGET - OWN FUNDS	-3,224,000
BALANCE AS AT 30 JUNE 2015	10,749,600
2015/2016	
CONTRIBUTIONS:	
Revenue	5,000,000
FINANCING CAPITAL BUDGET - OWN FUNDS	-3,933,000
BALANCE AS AT 30 JUNE 2016	11,816,600



It is thus clear from the above that the present levels of financing of Capital Budgets from the CRR will not be sustainable in the short term, and the financing of future capitals projects will be mainly by way of external loans. A solution to make larger contributions to the CRR (Revenue, Land Sales, etc) will have to be found before higher levels of financing from the CRR will be possible.

Operating Expenditure Budget:

The following graph shows the operating budget income and expenditure separately for the 2010/2011 and 2011/2012 (actual) financial year and the budgeted figures for 2012/2013 to 2015/2016 financial years.



The total operating budget for 2013/2014 amounts to R280 543 159, which is 0.56% less than the previous year's revised budget.





The following table gives a breakdown per category of expenditure of the budget for the 2013/2014 financial year:

Category of Expenditure	Amount	% of Total Exp. Budget	% of Total Actual Exp. 2011/12
	R'000		
EMPLOYEE RELATED COST	100,104	35.68	33.25
COUNCIL REMUNERATION	5,149	1.84	1.65
DEBT IMPAIRMENT	3,275	1.17	1.11
REPAIRS & MAINTENANCE	17,996	6.41	4.21
DEPRECIATION	19,511	6.95	6.41
FINANCE CHARGE	8,336	2.97	2.91
BULK PURCHASES	68,996	24.59	21.30
CONTRACTED SERVICES	4,383	1.56	1.24
GENERAL EXPENSES - OTHER	52,794	18.82	27.92
TOTAL	280,544	100.00	100.00





PRINCIPALS ACCEPTED BY BUDGET COMMITTEE AND USED IN FINALIZING THE FINAL BUDGET

OPERATING EXPENDITURE

Employee Related Costs

- **Basic Salaries**
 - Increase as per Bargaining Council Agreement – 6.85%
 - New posts as accepted by Municipal Manager and Budget Committee – Section 7.10
 - Vacant Posts as accepted by Municipal Manager and Budget Committee – Section 7.9
- **Temporary Wages**
 - Optimal and minimum use of temporary personnel within budget.
- **Overtime**
 - Strict control over overtime within budgeted amount and no adjustment in February 2014.
- **Workmen's Compensation**
 - Item transfer to General Expenses – Other
- **Charge Out to Repairs and Maintenance**
 - Charge out of percentage of labour cost to infrastructure repairs and maintenance – new principal.

Remuneration of Councillors

- To Budget for Councillors remuneration as Group 2 and not as Group 3.
- Internet Cards at R100 p.m and not R300 p.m and only non – Executive Councillors.
- Cancellation of Mayoral Allowance.
- Cancellation of Ward Committee allocations of R50 000 (x8) per year.

Repairs and Maintenance

- **Charge Out from Salaries**
 - Charge out of percentage of labour cost to Sewerage, Water and Electricity – infrastructure repairs – new principal.
- **Possible outsourcing of certain services to be investigated**

Contracted Services

- **Life Savers**
 - New tender with possible saving on wider tender
- **Recycling of Refuse**
 - New tender with possible saving on wider tender
- **Fire Brigade**
 - Accept option with 6% increase – no extension on the present service

General Expenses – Other

- **Annual Staff Function**
 - No function to be budgeted for
- **Master Planning**
 - R800 000 to be financed through Systems Improvement Grant for 2013/2014
- **Printing and Stationary**
 - Each Department to ensure to stay within the allocated budget cut.



The total expenditure for the 2013/2014 financial year also includes the following expenses which Council needs to consider with the approval of the budget:

❖ **Vacant posts (see Section 7.2)**

The total value of R7,548,438 is included in the expenditure with regards to vacant posts which must be filled. As can be seen from the annexure, some of these posts will be filled at a later date to alleviate the burden on the operational budget.

❖ **New posts (see Section 7.3)**

These are mostly new posts which are of the highest priority. These posts are necessary to ensure the effective and efficient delivery of the intended services. The total value of these posts is R1,183,573.

Operating Revenue Budget:

The operating revenue budget for 2013/14 amounts to R289 704 726, which is 0,48% more than the previous year's revised budget. The table below lists all sources of revenue.

Source of Revenue	Amount	% of Total Rev. Budget	% of Total Actual Rev 2011/12
	R'000		
PROPERTY RATES	54,464	18.80	17.10
PROPERTY RATES - penalties & collection charges	618	0.21	0.10
SERVICE CHARGES - ELECTRICITY	100,124	34.56	28.94
SERVICE CHARGES - WATER	23,702	8.18	7.38
SERVICE CHARGES - SANITATION	18,777	6.48	4.91
SERVICE CHARGES - REFUSE	12,835	4.43	4.01
SERVICE CHARGES - OTHER	5,967	2.06	4.67
RENTAL OF FACILITIES AND EQUIPMENT	4,124	1.42	1.40
INTEREST EARNED - EXTERNAL INVESTMENTS	2,520	0.87	1.31
INTEREST EARNED - OUTSTANDING DEBTORS	725	0.25	0.28
FINES	2,637	0.91	1.05
LICENCES AND PERMITS	296	0.10	0.08
AGENCY SERVICES	1,320	0.46	0.48
TRANSFERS RECOGNISED - OPERATIONAL	38,007	13.12	21.15
TRANSFERS RECOGNISED - CAPITAL	19,898	6.87	5.79
OTHER REVENUE	2,689	0.93	1.11
GAINS ON DISPOSAL OF PPE	1,000	0.35	0.24
TOTAL	289,703	100.00	100.00

It is clear from the above table that Hessequa Municipality is dependent on service charges to balance its budget.

**PRINCIPALS ACCEPTED BY THE BUDGET COMMITTEE AND USED IN FINALIZING THE FINAL BUDGET****OPERATING REVENUE**

- Increase in sewerage tariffs for 2013/14 to be 7%. (Increase from 6%)
- Land Sales to be investigated – need revenue for financing capital budget from CRR.

EXTERNAL FUNDING SOURCES

The following sources of funding were made available from National and Provincial Government for the 2013/2014 financial year:

National Funding:

Grant	Capital budget funding	Operating budget funding
Finance Management Grant		1,300,000
Municipal System Improvement Grant		890,000
Integrated National Electrification Programme Grant	5,000,000	
Municipal Infrastructure Grant	11,990,900	631,100
Expanded Public Works Programme Incentive Grant for Municipalities	1,000,000	
Equitable Share		28,189,000
TOTAL	17,990,900	31,010,100

Provincial Funding:

Grant	Capital budget funding	Operating budget funding
Integrated Housing and Human settlement development grant		2,020,000
Maintenance of Proclaimed Roads		249,000
Maintenace of Proclaimed Roads - Capital	1,824,800	
Library Services - conditional grant		839,000
Library Services - (Replacement Funding for most Vulnerable B3 Municipalities)	82,700	3,609,000
TOTAL	1,907,500	6,717,000

PROPOSED RATES AND TARIFFS FOR 2013/14

Attached hereto is a list of all the tariffs of Council (Annexure A). The annexure shows the tariffs for the present financial year as well as the tariffs and proposed increases for the 2013/2014 financial year. Councillors are requested to peruse the tariff listing and thoroughly debate the proposed increases to these tariffs.

The following tariff increases are provided for to balance the budget for the 2013/2014 financial year.

Electricity Tariffs



The draft operational budget for the 2013/2014 financial year makes provision for the following electricity tariff increases from 1 July 2013:

- ❖ Eskom tariff increase in respect of purchase of electricity (Nersa) : 8%
- ❖ Municipal electricity tariff increases on sales : 6.3%

The following is also important with reference to the abovementioned tariff increases:

- The first 50 units per 30 day period in respect of indigent households will still be free of charge.
- The increase on Block 2 (consumption 51 – 350 Kwh) for indigent to be 5.0%
- Tariff of indigents with consumption above 350 Kwh per month has to increase to be the same as residential consumers (Only for pre-paid electricity).

The following is a summary of the revenue and expenditure in respect of the electricity account:

<i>(excl. capital grants)</i>	<i>Budget 2012/13</i>	<i>Budget 2013/14</i>
Total Electricity Revenue	100,787,483	107,680,148
Total Electricity Expenditure	84,907,053	97,520,987
NETT PROFIT / (LOSS)	15,880,430	10,159,161
Percentage Gross Profit	18.70	10.42

It is thus clear from the above that there is a considerable reduction in the nett profit on electricity which illustrates that the dependency on electricity tariffs to balance the budget with these tariffs has declined. This in itself is the reason of the high increases in the electricity tariffs over the past few years which led to consumer resistance in the use of electricity. This is also reflected in the number of units sold in the past financial year. The effect on the changing consumer patterns will be known at the end of the financial year.



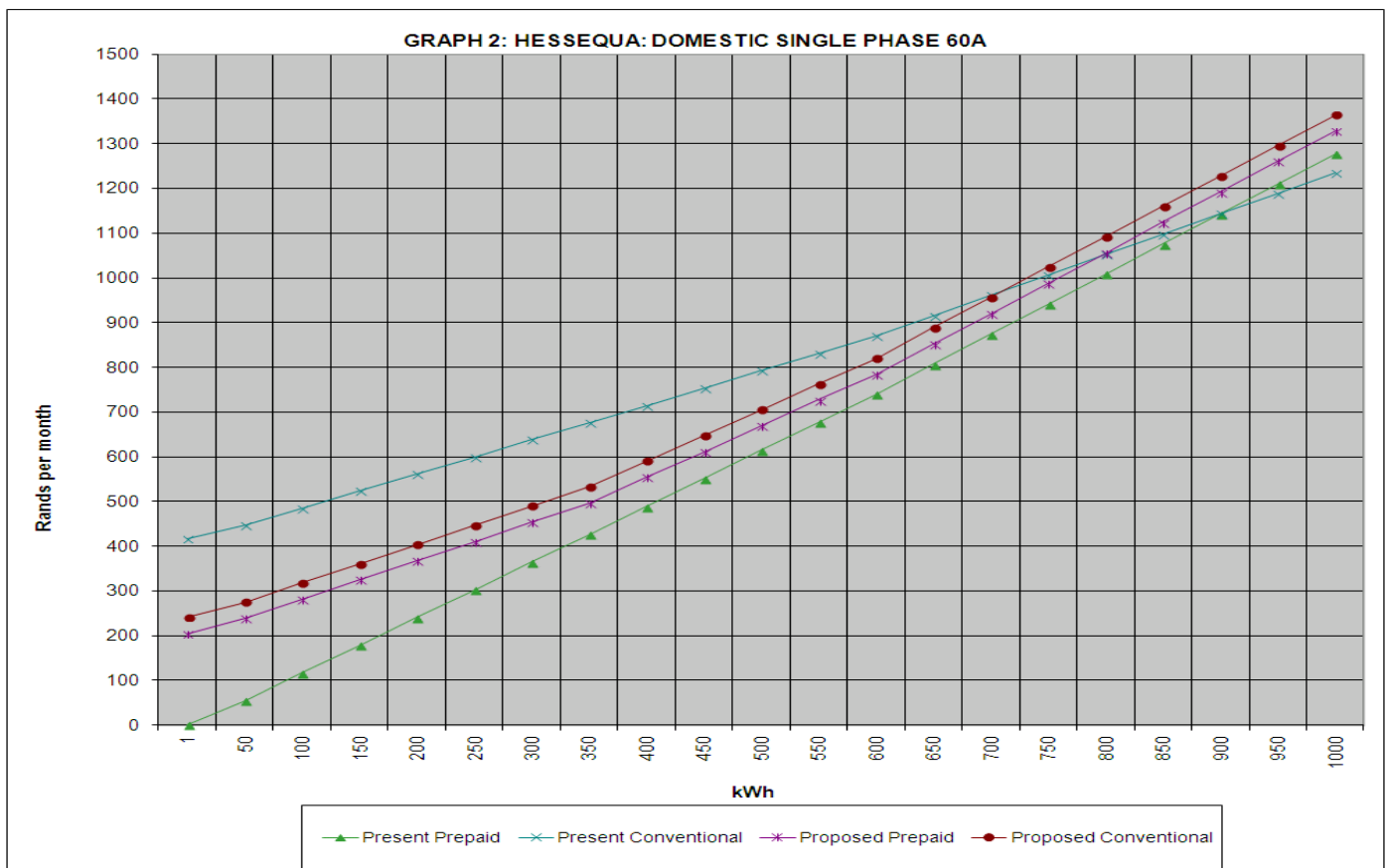
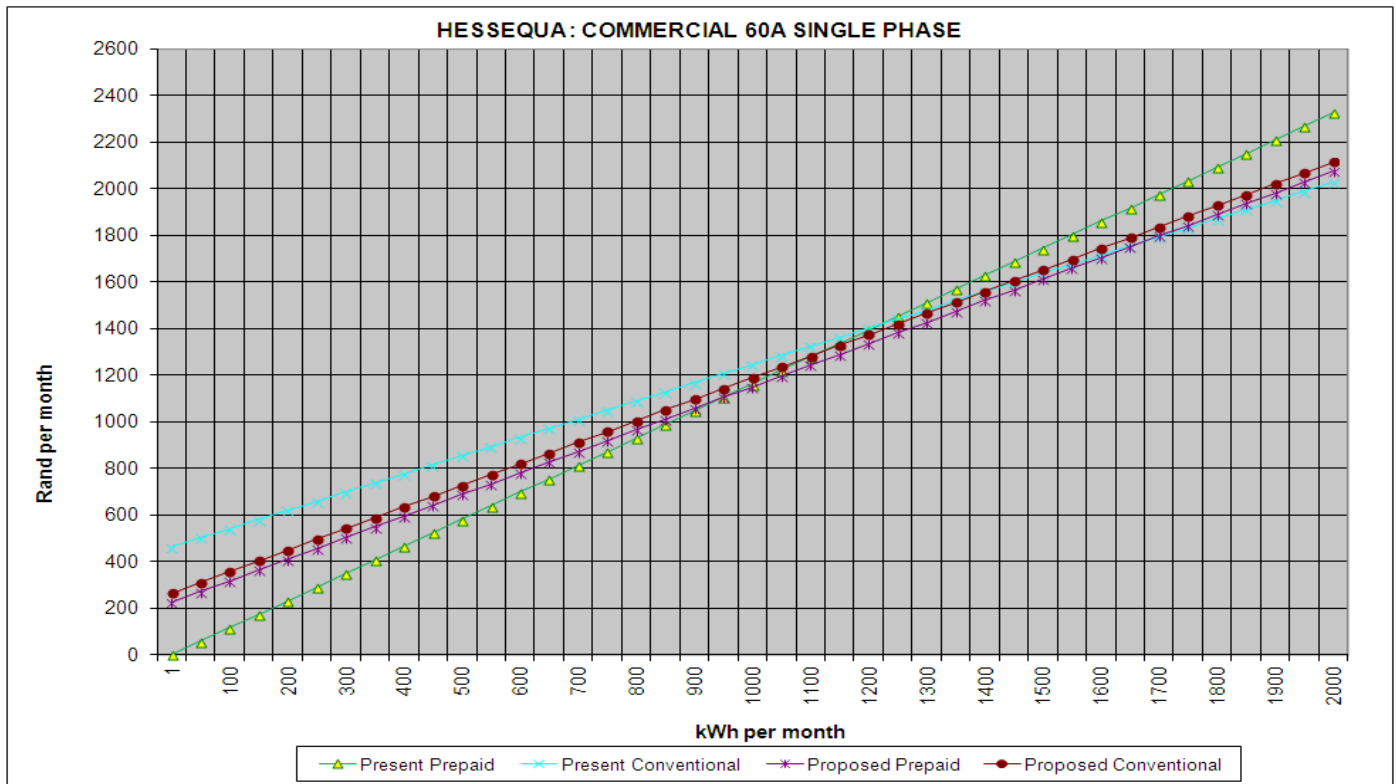
Lastly, it must be stressed that the electricity tariffs of Council still need to be approved by NERSA. Any changes to these tariffs can have a major effect on the income of Council which will force Council to reconsider the budget and other tariff increases.

The following table shows the impact of the proposed increases in electricity tariff charges for domestic and other consumers:

COMPARISON BETWEEN CURRENT ELECTRICITY CHARGES AND PROPOSED INCREASES (DOMESTIC & BUSINESS)

CONSUMER	Current Tariff		% increase (Decrease)
	2012/2013 per kWh (excl. vat)	Proposed Tariff 2013/2014 per kWh (excl. vat)	
1. Domestic - Conventional Meters			
0 - 50 kWh	0.6113	0.6900	12.87
51 - 350 kWh	0.7609	0.8600	13.02
351 - 600 kWh	0.7772	1.1500	47.97
>600 kWh	0.9104	1.3600	49.38
Basic Charges - 60amp (p.m.)	417.00	240.00	(42.45)
2. Domestic - Pre-paid Meters (Indigent)			
0 - 50 kWh	free	free	
51 - 350 kWh	0.8586	0.8700	1.33
351 - 600 kWh	1.1300	1.1600	2.65
>600 kWh	1.2900	1.3700	6.20
Basic Charges	NIL	NIL	-
3. Domestic - Pre-paid Meters			
0 - 50 kWh	1.0962	0.6900	(37.06)
51 - 350 kWh	1.2378	0.8600	(30.52)
351 - 600 kWh	1.2546	1.1500	(8.34)
>600 kWh	1.3435	1.3600	1.23
Basic Charges - 60amp	NIL	204.00 pm	-
4. Business - Conventional Meters			
Energy consumption per kWh	0.7752	0.9250	19.32
Basic Charges - 60amp - (p.m.)	463.00	264.00	(42.98)
5. Business - Pre-paid Meters			
Energy consumption per kWh	1.1628	0.9250	(20.45)
Basic Charges - 60amp	NIL	224.00 pm	-
6. Bulk Consumers			
Energy consumption per kWh	0.4996	0.5350	7.09

Note: Basic Charge for Pre-paid meters will be \pm 15% less than these of a conventional meter. The cost for the consumption will be the same.



Water Tariffs



It is recommended that the water tariffs, i.e. the basic charges and usage tariffs be increased by 6% from 1 July 2013. Council is also referred to the tariffs in periods of drought which is also shown in the annexures. The tariff structure of the 2013/14 financial year has not been changed. The structure is designed to charge higher levels of consumption at a higher rate.

PROPOSED WATER TARIFFS

The following table shows the impact of the proposed increases in water tariffs on the water charges for domestic and other consumers:

CATEGORY	CURRENT TARIFFS 2012/2013 Rand per kl (excl. vat)	PROPOSED TARIFFS 2013/2014 Rand per kl (excl. vat)	% INCREASE
<u>Residential</u>			
Water consumption: 1 - 15kl	4.30	4.60	6.98
Water consumption: 16 - 30kl	4.90	5.20	6.12
Water consumption: 31 - 40kl	5.40	5.70	5.56
Water consumption: 41 - 50kl	6.50	6.90	6.15
Water consumption: 51 - 70kl	7.60	8.10	6.58
Water consumption: >70kl	9.20	9.80	6.52
<u>Old Age Homes / Schools/ Sport Clubs</u>			
Water consumption: 1 - 70kl	3.80	4.00	5.26
Water consumption: 70 - 90kl	4.30	4.60	6.98
Water consumption: >90kl	5.40	5.70	5.56

The revenue and expenditure for the water account is as follows:

(excl. capital grants)	Budget 2012/13	Budget 2013/14
Total Water Revenue	23,438,077	25,049,478
Total Water Expenditure	22,206,435	21,286,040
NETT PROFIT / (LOSS)	1,231,642	3,763,438
Percentage Gross Profit	5.55	17.68

As can be seen from the above figures, the water department reflects a surplus in 2012/13 of R1 231 642, and a surplus in the 2013/2014 budget of R3 763 438.

This service is regarded as a trading service and has to show a surplus. Water consumption trends are still very volatile and it was difficult to project future water consumption patterns. This is a risk as far as income in the 2013/2014 budget concerned.

Refuse Removal Tariffs



The service is categorised as an economic service, which means that it is supposed to pay for itself from service fees or even making a small profit. It is recommended that the refuse removal tariffs be increased by 6% from 1 July 2013.

The revenue and expenditure of this service can be summarised as follows:

<i>(excl. capital grants)</i>	<i>Budget 2012/13</i>	<i>Budget 2013/14</i>
Total Refuse Revenue	12,200,259	12,972,589
Total Refuse Expenditure	10,956,747	11,280,682
NETT PROFIT / (LOSS)	1,243,512	1,691,907
Percentage Gross Profit	11.35	15.00

This nett surplus shows a small increase from 2012/13 (R1 243 512) to 2013/14 of R1 691 907.

The following table shows the impact of the proposed increases in Refuse Tariffs on the refuse charges for domestic and other consumers:

Comparison between current waste removal fees and increases

REFUSE REMOVALS	PER UNIT	Tariff: 2012/2013	Tariff: 2013/2014	%
Domestic Households	Per month	R 71.00	R 75.00	5.63
Business/Commercial/Industrial				
Maximum of two removals per week	Per month	R 160.00	R 170.00	6.25
Bulk - Business/Commercial Industrial				
Maximum of three removals per week	Per month	R 355.00	R 376.00	5.92
Bulk - Business/Commercial Industrial				
Maximum of four to seven removals per week	Per month	R 711.00	R 754.00	6.05

Sewerage Fees



The sewerage service is classified as an economic service. This service must be fully financed by its own tariffs and can also generate profit to subsidize property rates. It is recommended that the sewerage tariffs be increased by 7% from 1 July 2013.

The following is a summary of the income and expenditure of the sewerage service:

<i>(excl. capital grants)</i>	<i>Budget 2012/13</i>	<i>Budget 2013/14</i>
Total Sewerage Revenue	17,160,244	18,744,825
Total Sewerage Expenditure	16,716,091	17,141,182
NETT PROFIT / (LOSS)	444,153	1,603,643
Percentage Gross Profit	2.66	9.36

The following table compares the current and proposed tariffs:

COMPARISON BETWEEN CURRENT SANITATION CHARGES AND INCREASES – (tariffs exclude vat)

SEWERAGE	Unit	Tariff 2012/2013	Tariff 2013/2014	%
Availability Fees - Empty Stands				
All Empty Stands - Sewerage Network	Per erf per year	R1 118.00	R1 196.00	6.98
All Empty Stands - Septic Tanks	Per erf per year	R 557.00	R 596.00	7.00
Basic Per Connections				
20mm water connection	Per month	R 93.00	R 100.00	7.53
25mm water connection	Per month	R 119.00	R 127.00	6.72
32mm water connection	Per month	R 166.00	R 178.00	7.23
40mm water connection	Per month	R 233.00	R 249.00	6.87
50mm water connection	Per month	R 338.00	R 362.00	7.10
80mm water connection	Per month	R 791.00	R 846.00	6.96
Basic Per Connections - Septic tanks				
Basic - All Septic Tank Consumers	Per erf per Month	R 46.00	R 49.00	6.52
4.Conservancy / Septic Tanks - Withdrawals				
Tariff - withdrawal - All Consumers	Per withdrawal	R 164.00	R 175.00	7.32
After hours	Per withdrawal	R 328.00	R 351.00	7.01

Property Rates



Property rates cover the cost of the provision of general services. Determining an effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, and with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the ratable value (Section 17(h) of the MPRA). In addition to this rebate, a further R35 000 reduction on the market value of a property will be granted in terms of the councils own Property Rates Policy;
- 10 per cent rebate will be granted on all residential properties in private owned towns and farm properties used for residential and business purposes.
- 100% rebate will be granted to registered Category A indigents, (50% - Category B indigents).
- For pensioners the following rebates apply;

REBATE PENSIONERS			
Par 9.2.2.2 (a) INCOME: R0.000 - R3 000 PER MONTH			25%
Par 9.2.2.2 (b) INCOME: R3 001 - R8 000 PER MONTH			15%
(Persons 60 years and older)			
ADDITIONAL TO ABOVE REBATES			
Par 9.2.2.3 (a) 60 YEAR - 75 YEAR			25%
Par 9.2.2.3 (b) 76 YEAR - 85 YEAR			35%
Par 9.2.2.3 (c) 86 YEAR AND OLDER			45%

- The Municipality awards a 100 per cent grant-in-aid on the assessment rates of ratable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.
- Private Developments (Maintaining own services) 10%
- Rural – Residential, Business and Other 10%



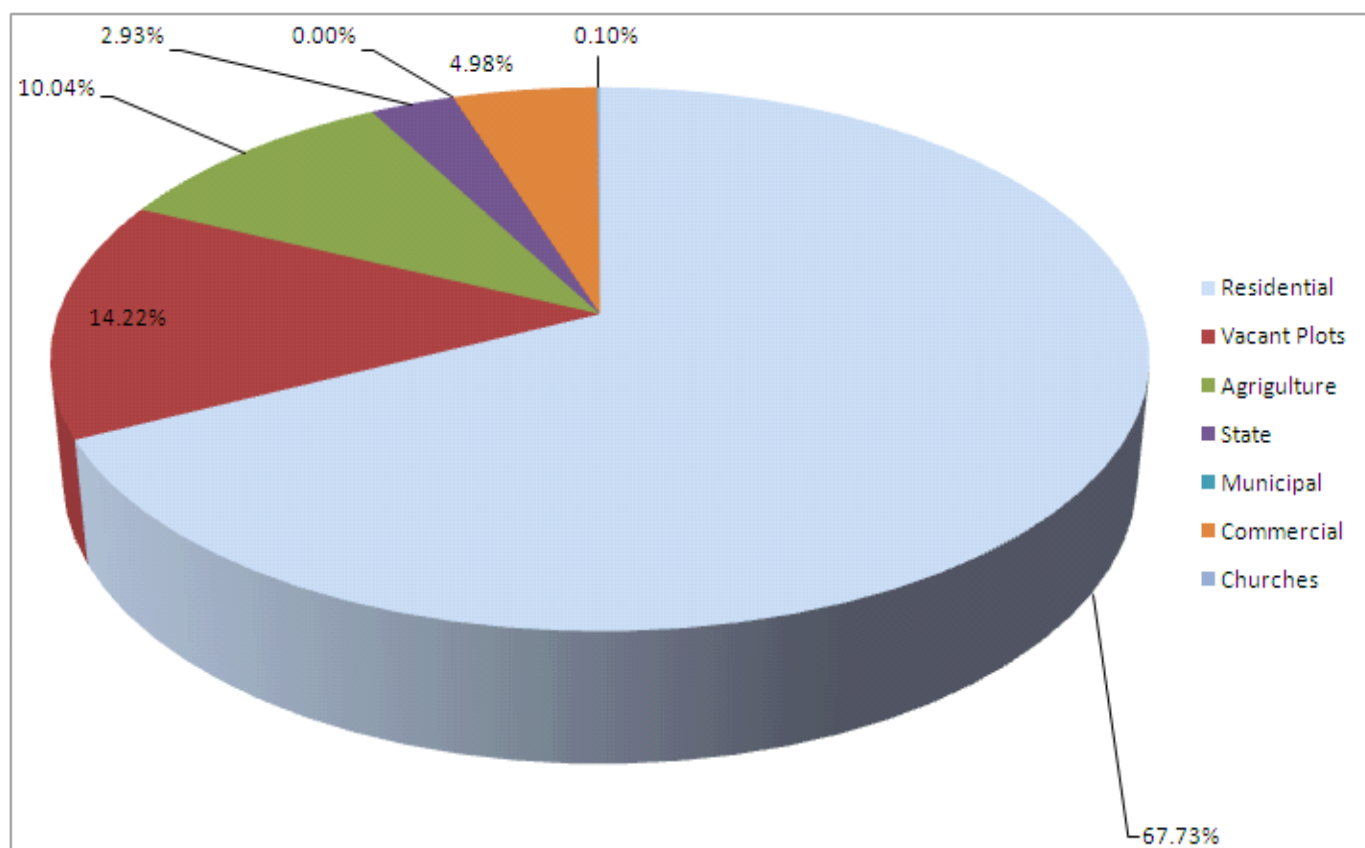


The categories of ratable properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on a 6 per cent increase from 1 July 2013 is set out below:

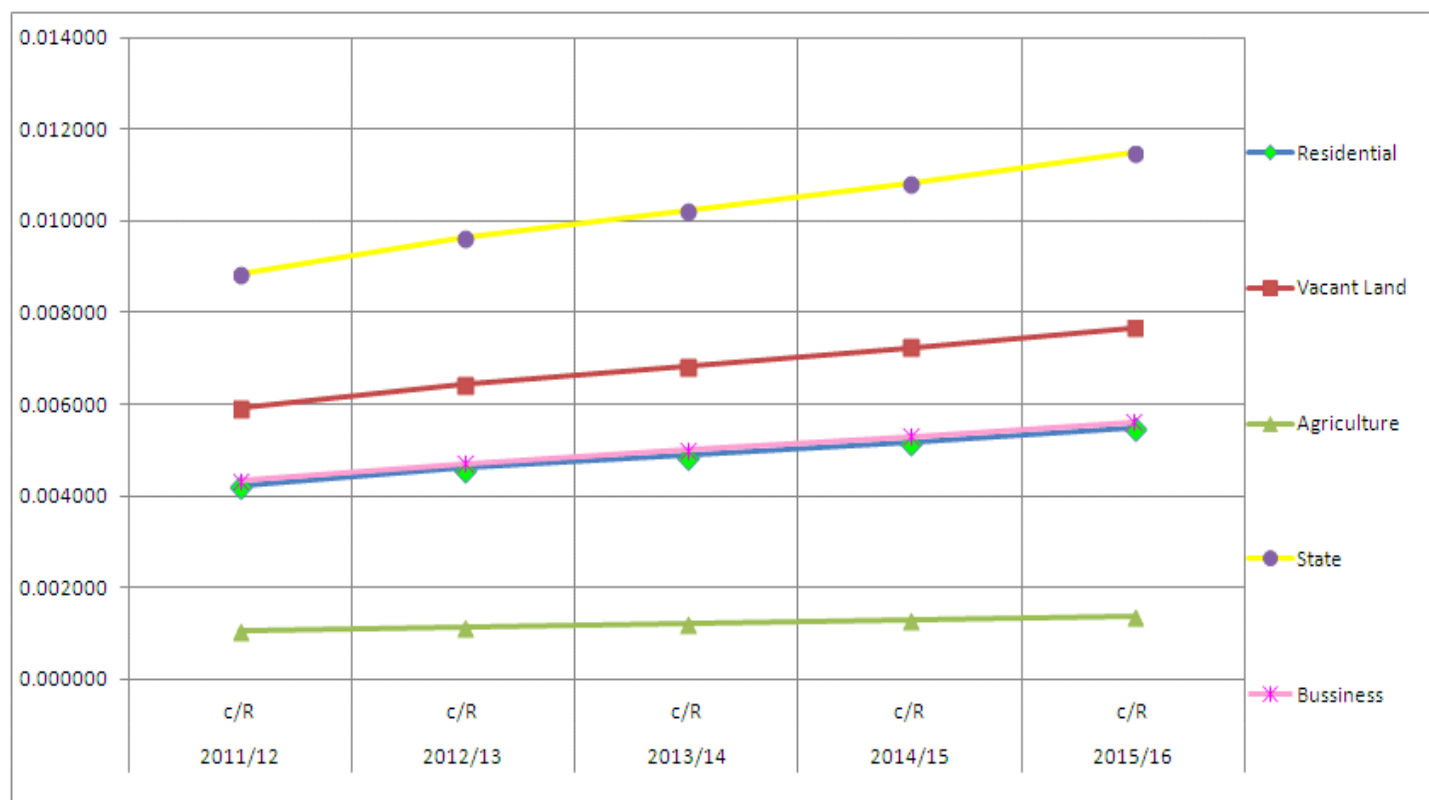
COMPARISON OF PROPOSED RATES TO LEVIED FOR THE 2012/13 FINANCIAL YEAR

CATEGORY	TARIFF 2012/2013	PROPOSED TARIFF 2013/2014	% INCREASE	INCOME
Residential Properties	0.004604	0.004880	6	39 769 081
State Owned Properties	0.009645	0.010224	6	1 717 954
Business, Commercial, Industrial	0.004713	0.004996	6	2 926 134
Agricultural - residential / bussiness	0.004604 / 0.004713	0.004880 / 0.004996	6	5 894 607
Vacant Land	0.006441	0.006827	6	8 351 005
Churches	0.004604	0.004880	6	59 653
TOTAL				58 718 434

The following graph shows the % income for each category;



The following graph shows the rates history for the last 5 years;



Caravan Parks



(excl. capital grants)	Budget 2012/13	Budget 2013/14
Total Caravan Parks Revenue	7,784,600	8,407,368
Total Caravan Parks Expenditure	9,245,389	10,447,043
NETT PROFIT / (LOSS)	-1,460,789	-2,039,675
Percentage Gross Profit/(Loss)	-15.80	-19.52

Previously most of the Caravan Parks operated on a profit basis, however rising costs have caused these caravan parks to currently operate at a loss. After careful consideration, the budget committee at its meeting held on 19th March 2013, recommended that the possible sale of the caravan parks be investigated in future.

Subsidies & Rebates



Specific attention was also given to the plight of indigents. With this in mind the following subsidies and rebates are recommended to Council.

SUBSIDIES TO INDIGENT HOUSEHOLDS:

CATEGORY A - Income per household – R3 000 p.m.

- Water – 6kl per household
- Electricity – 50KwH per household
- 100% Discount – Rates, Sanitation, Refuse and Basic Services

CATEGORY B - Income per household – R3 001 p.m. – R3 500 p.m

- Water – 6kl per household
- Electricity – 50KwH per household, Basic exempt
- 50% Discount – Rates, Sanitation, Refuse and Basic Services

OLD AGE HOMES

- R120 per person per month that qualify.

It is thus clear from the above that the budget of Council specifically tries to help indigents and pensioners in the town that cannot afford the higher municipal tariffs.

New Tariffs

The following new tariffs have been incorporated in the Draft Budget:

1. Sport clubs

<u>WATER TARIWE</u>	Eenheid	Tariewe 2012/2013		TARIEF KODE	Tariewe 2013/2014	
		BTW Uitgesluit	BTW Ingesluit		BTW Uitgesluit	BTW Ingesluit
		Rand	Rand		Rand	Rand
<u>8.6 Outehuise/Skole/Sportklubs</u>						
Basies - soos per 8.2	per maand					
Water Verbruik: 1 - 70 kl	per kl	R 3.80	R 4.33	WA07	R 4.00	R 4.56
Water Verbruik: 70 - 90 kl	per kl	R 4.30	R 4.90	WA07	R 4.60	R 5.24
Water Verbruik: > 90 kl	per kl	R 5.40	R 6.16	WA07	R 5.70	R 6.50



2. Accommodation establishments

<u>WATER TARIEWE</u>	Eenheid	Tariewe 2012/2013		TARIEF KODE	Tariewe 2013/2014	
		BTW Uitgesluit	BTW Ingesluit		BTW Uitgesluit	BTW Ingesluit
		Rand	Rand		Rand	Rand
8.1 BASIES FOOIE - AKKOMODASIE ONDERNEMINGS						
8.1.1 Tarief - 1 - 3 eenheid (Basies 1 X Verblyfplek)	per maand		N.V.T	BW11	R 83.00	R 94.62
8.1.2 Tarief - 4 - 6 eenhede (Basies 2 X Verblyfplekke)	per maand		N.V.T	BW12	R 166.00	R 189.24
8.1.3 Tarief - 7 - 10 eenhede (Basies 3 X Verblyfplekke)	per maand		N.V.T	BW13	R 249.00	R 283.26
8.1.4 Tarief - 11 - 20 eenhede (Basies 5 X Verblyfplekke)	per maand		N.V.T	BW14	R 415.00	R 473.10
8.1.5 Tarief - 21 plus eenhede (Basies 10 X Verblyfplekke)	per maand		N.V.T	BW15	R 830.00	R 946.20

<u>RIOOL TARIEWE</u>	Eenheid	Tariewe 2012/2013		TARIEF KODE	Tariewe 2013/2014	
		BTW Uitgesluit	BTW Ingesluit		BTW Uitgesluit	BTW Ingesluit
3.4. BASIES - AKKOMODASIE ONDERNEMINGS						
3.4.1 1 - 3 eenhede (Basies 1 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	SE25	R 100.00	R 114.00
3.4.2 4 - 6 eenhede (Basies 2 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	SE26	R 200.00	R 228.00
3.4.3 7 - 10 eenhede (Basies 3 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	SE27	R 300.00	R 342.00
3.4.4 11 - 20 eenheid (Basies 5 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	SE28	R 500.00	R 570.00
3.4.5 >20 eenheid (Basies 10 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	SE29	R 1,000.00	R 1,140.00
3.5. BASIES - AKKOMODASIE ONDERNEMINGS (SUIGTENKS)						
3.5.1 1 - 3 eenhede (Basies 1 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	BSAK01	R 49.00	R 55.86
3.5.2 4 - 6 eenhede (Basies 2 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	BSAK05	R 98.00	R 111.72
3.5.3 7 - 10 eenhede (Basies 3 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	BSAK10	R 147.00	R 167.58
3.5.4 11 - 20 eenheid (Basies 5 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	BSAK20	R 245.00	R 279.30
3.5.5 >20 eenheid (Basies 10 x verblyfplek)	Per erf per Maand	N.V.T	N.V.T	BSAK21	R 490.00	R 558.60

<u>VULLISVERWYDERING TARIEWE</u>	Eenheid	Tariewe 2012/2013		TARIEF KODE	Tariewe 2013/2014	
		BTW Uitgesluit	BTW Ingesluit		BTW Uitgesluit	BTW Ingesluit
1.2 Akkomodasie Ondernemings						
1.2.1 Tarief - maksimum van een verwydering per week	per maand	R 115.80	R 132.01	RF07	N.V.T	N.V.T
(a) 1 - 3 eenhede (Basies 1 x verblyfplek)	per maand	N.V.T	N.V.T	RF08	R 75.00	R 85.50
(b) 4 - 6 eenhede (Basies 2 x verblyfplek)	per maand	N.V.T	N.V.T	RF13	R 150.00	R 171.00
(c) 7 - 10 eenhede (Basies 3 x verblyfplek)	per maand	N.V.T	N.V.T	RF14	R 225.00	R 256.50
(d) 11 - 20 eenheid (Basies 5 x verblyfplek)	per maand	N.V.T	N.V.T	RF15	R 375.00	R 427.50
(e) >20 eenheid (Basies 10 x verblyfplek)	per maand	N.V.T	N.V.T	RF17	R 750.00	R 855.00



Voorbeelde - Toepassing van 2013/2014 Tariewe op rekeninge

Waardasie/ Belasting : waardasie =R1,503,000, (60Amps) & verbruik: 750kWh elektrisiteit, 30kl water.			
<u>Konvensionele Meter</u>			
	2012/13	2013/14	Styging
Maandelikse Belasting	557	591	6.0
Water - Basies	78.00	83.00	6.4
Water - 30 Kiloliters	137.25	147.00	7.1
Elektrisiteit - Basies (60 amp)	417.00	240.00	-42.4
Elektrisiteit - 750 kwh	589.70	784.00	33.0
Riool	93.00	100.00	7.5
Vullis	71.00	75.00	5.6
BTW	194.03	200.06	
Totaal Dienste	1,580	1,629	3.1
Totaal Belasting & Dienste	2,137	2,220	3.86
Maandelikse Styging		83	

Waardasie/ Belasting : waardasie =R812 000, (60Amps) & verbruik: 750kWh elektrisiteit, 30kl water.			
<u>Koopkrag Meter</u>			
	2012/13	2013/14	Styging
Maandelikse Belasting	292.35	309.88	6.0
Water - Basies	78.00	83.00	6.4
Water - 30 Kiloliters	137.25	147.00	7.1
Koopkrag basies	0.00	204.00	100.0
Elektrisiteit - 750 kwh	942.17	784.00	-16.8
Riool	93.00	100.00	7.5
Vullis	71.00	75.00	5.6
BTW	185.00	195.02	
Totaal Dienste	1,506	1,588	5.42
Totaal Belasting & Dienste	1,799	1,898	5.51
Maandelikse Styging		99	

Waardasie/ Belasting : waardasie =R68 500, (60Amps) & verbruik: 300kWh elektrisiteit, 20kl water.			
<u>Koopkrag Meter</u>			
	2012/13	2013/14	Styging
Maandelikse Belasting	7.10	7.52	5.9
Water - Basies	78.00	83.00	6.4
Water - 20 Kiloliters	88.75	95.00	7.0
Koopkrag basies	0.00	204.00	100.0
Elektrisiteit - 300 kwh	364.26	249.50	-31.5
Riool	93.00	100.00	7.5
Vullis	71.00	75.00	5.6
BTW	97.30	112.91	
Totaal Dienste	792	919	16.04
Totaal Belasting & Dienste	799	927	15.95
Maandelikse Styging		128	

**BESIGHEDE**

Waardasie/ Belasting : waardasie =R2 275 000, (60Amps) & verbruik: 750kWh elektrisiteit, 30kl water.

Konvensionele Meter

	2012/13	2013/14	Styging
Maandelikse Belasting	853.66	904.83	6.0
Water - Basies	78.00	83.00	6.4
Water - 20 Kiloliters	137.25	147.00	7.1
Elektrisiteit - Basies	417.00	264.00	-36.7
Elektrisiteit - 750 kwh	581.40	693.75	19.3
Riool	93.00	100.00	7.5
Vullis	160.00	170.00	6.3
BTW	205.33	204.09	
Totaal Dienste	1,672	1,662	-0.61
Totaal Belasting & Dienste	2,526	2,567	1.62
Maandelikse Styging		41	

Waardasie/ Belasting : waardasie =R2 275 000, (60Amps) & verbruik: 750kWh

Koopkrag meter

	2012/13	2013/14	Styging
Maandelikse Belasting	853.66	904.83	6.0
Water - Basies	78.00	83.00	6.4
Water - 20 Kiloliters	137.25	147.00	7.1
Koopkrag - Basies		224.40	100.0
Elektrisiteit - 750 kwh	872.10	693.75	-20.5
Riool	93.00	100.00	7.5
Vullis	160.00	170.00	6.3
BTW	187.65	198.54	
Totaal Dienste	1,528	1,617	5.80
Totaal Belasting & Dienste	2,382	2,522	5.87
Maandelikse Styging		140	



BUDGET RELATED POLICIES OF COUNCIL

The following policies are submitted annually as part of the budget documentation:

- ❖ Property Rates Policy
- ❖ Credit Control and Debt Collection Policy
- ❖ Indigent Policy
- ❖ Principles And Policy On Tariffs And Free Basic Services
- ❖ Cash Management & Investment Policy
- ❖ Asset Management Policy
- ❖ Virement Policy
- ❖ Municipal Supply Chain Management Policy

The following budget – related policies are not included in this annexure:

- Liquidity Policy
- Borrowing funds and Reserves Policy

(INCA is presently drafting the above policies which will be workshopped in April 2013. These policies will be included in the final budget related policies at the end of May 2013.

HJ VILJOEN
CHIEF FINANCIAL OFFICER





6. ANNUAL BUDGET TABLES - 6.1 Budget Summary

WC042 Hessequa - Table A1 Consolidated Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	41,826	43,067	47,330	52,445	51,964	51,964	51,964	55,082	59,087	62,632
Service charges	100,437	118,221	137,335	151,009	150,559	150,559	150,559	161,405	172,207	183,728
Investment revenue	5,897	3,967	3,614	4,020	3,020	3,020	3,020	2,520	2,425	2,230
Transfers recognised - operational	98,965	48,713	59,291	50,798	56,231	56,231	56,231	38,007	38,097	40,098
Other own revenue	10,743	25,646	12,772	12,474	12,474	12,474	12,474	12,792	14,356	18,120
Total Revenue (excluding capital transfers and contributions)	257,868	239,615	260,343	270,745	274,247	274,247	274,247	269,806	286,171	306,808
Employee costs	68,053	85,815	87,046	97,080	97,080	97,080	97,080	100,104	107,025	114,427
Remuneration of councillors	4,082	4,367	4,314	4,758	4,758	4,758	4,758	5,149	5,502	5,879
Depreciation & asset impairment	12,767	15,598	16,792	17,741	17,741	17,741	17,741	19,511	20,546	21,039
Finance charges	4,260	5,601	7,631	9,414	8,814	8,814	8,814	8,336	9,808	11,767
Materials and bulk purchases	35,832	44,874	55,775	63,667	63,628	63,628	63,628	68,996	74,838	81,199
Transfers and grants	—	—	—	—	—	—	—	—	—	—
Other expenditure	127,428	83,526	90,261	85,955	90,104	90,104	90,104	78,447	78,694	82,723
Total Expenditure	252,421	239,781	261,820	278,614	282,123	282,123	282,123	280,543	296,413	317,033
Surplus/(Deficit)	5,447	(166)	(1,477)	(7,868)	(7,876)	(7,876)	(7,876)	(10,737)	(10,241)	(10,225)
Transfers recognised - capital	30,782	7,842	14,822	14,369	14,081	14,081	14,081	19,898	17,653	17,949
Contributions recognised - capital & contributed	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724
Capital expenditure & funds sources										
Capital expenditure	60,708	43,125	65,226	48,915	48,114	48,114	48,114	47,320	55,212	53,403
Transfers recognised - capital	33,643	7,822	14,823	14,369	14,081	14,081	14,081	19,898	17,653	17,949
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	13,931	17,796	21,608	16,250	16,139	16,139	16,139	25,061	34,335	31,520
Internally generated funds	13,134	17,507	28,796	18,296	17,894	17,894	17,894	2,360	3,224	3,933
Total sources of capital funds	60,708	43,125	65,227	48,915	48,114	48,114	48,114	47,320	55,212	53,403
Financial position										
Total current assets	95,469	100,006	66,866	35,312	36,441	36,441	36,441	44,366	51,137	48,097
Total non current assets	521,679	550,789	599,043	633,812	633,011	633,011	633,011	660,818	695,482	727,844
Total current liabilities	51,425	60,956	68,676	45,199	45,199	45,199	45,199	54,312	61,531	58,742
Total non current liabilities	68,277	92,139	86,188	115,540	116,164	116,164	116,164	133,532	160,337	184,723
Community wealth/Equity	497,445	497,701	511,045	508,474	508,178	508,178	508,178	517,340	524,752	532,476
Cash flows										
Net cash from (used) operating	15,072	24,796	30,684	26,330	27,763	27,763	27,763	35,855	35,497	20,586
Net cash from (used) investing	(60,666)	(39,928)	(64,889)	(47,913)	(47,112)	(47,112)	(47,112)	(46,318)	(53,210)	(48,403)
Net cash from (used) financing	12,078	26,358	(8,234)	6,218	6,218	6,218	6,218	14,342	23,726	18,276
Cash/cash equivalents at the year end	60,897	72,124	29,684	12,544	16,553	16,553	16,553	20,432	26,446	16,905
Cash backing/surplus reconciliation										
Cash and investments available	60,897	72,123	29,684	15,424	16,553	16,553	16,553	20,431	26,445	15,906
Application of cash and investments	5,452	58,783	11,683	16,977	17,027	17,027	17,027	17,605	23,087	11,189
Balance - surplus (shortfall)	55,445	13,340	18,001	(1,554)	(475)	(475)	(475)	2,826	3,358	4,717
Asset management										
Asset register summary (WDV)	122,638	550,763	599,018	633,790	633,504	633,504	660,812	660,812	695,490	727,867
Depreciation & asset impairment	12,767	15,598	16,792	17,741	17,741	17,741	19,511	19,511	20,546	21,039
Renewal of Existing Assets	27,868	26,974	41,139	16,978	16,872	16,872	16,872	15,485	15,600	17,876
Repairs and Maintenance	11,552	12,476	11,026	12,510	12,415	12,415	17,996	17,996	18,680	19,571
Free services										
Cost of Free Basic Services provided	10,359	9,136	10,906	13,477	13,477	1,292	13,825	13,825	14,711	15,660
Revenue cost of free services provided	14,568	15,438	16,850	20,695	20,695	20,695	22,027	22,027	23,365	24,793
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—



6.2 Budgeted financial performance (revenue and expenditure by standard classification)

WC042 Hessequa - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		68,368	83,321	78,690	89,416	87,973	87,973	91,961	97,853	103,701
Executive and council		17,720	21,935	23,480	29,118	29,182	29,182	30,679	32,523	34,132
Budget and treasury office		49,421	51,231	53,640	58,685	57,204	57,204	59,888	64,057	68,213
Corporate services		1,227	10,154	1,570	1,614	1,587	1,587	1,393	1,273	1,356
<i>Community and public safety</i>		82,153	30,199	41,255	34,444	38,471	38,471	22,856	19,919	21,482
Community and social services		1,252	987	2,648	4,775	4,802	4,802	5,331	5,237	5,581
Sport and recreation		5,869	6,919	6,786	7,870	7,870	7,870	10,323	9,185	10,072
Public safety		4,675	5,056	5,280	4,839	4,839	4,839	5,130	5,439	5,767
Housing		70,357	17,237	26,542	16,960	20,960	20,960	2,072	58	62
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14,600	9,559	7,286	6,595	7,988	7,988	8,327	6,512	16,478
Planning and development		1,430	4,545	2,163	1,980	1,980	1,980	1,913	3,018	6,087
Road transport		13,036	4,870	5,040	4,440	5,533	5,533	6,228	3,297	10,183
Environmental protection		133	144	83	175	475	475	185	197	209
<i>Trading services</i>		123,489	124,378	147,934	154,659	153,897	153,897	166,561	179,540	183,095
Electricity		67,502	80,089	88,538	94,706	94,340	94,340	104,572	111,619	118,597
Water		19,495	19,398	29,569	29,925	30,129	30,129	25,709	29,454	27,482
Waste water management		27,711	14,896	18,717	17,944	17,343	17,343	22,963	23,728	21,305
Waste management		8,782	9,995	11,110	12,084	12,084	12,084	13,317	14,738	15,711
<i>Other</i>	4	40	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	288,650	247,457	275,165	285,114	288,328	288,328	289,705	303,824	324,757
Expenditure - Standard										
<i>Governance and administration</i>		50,686	62,184	62,260	71,824	70,182	70,182	72,618	75,030	79,561
Executive and council		22,836	34,259	29,473	32,414	31,754	31,754	32,316	32,256	34,074
Budget and treasury office		12,963	12,799	15,018	16,871	16,888	16,888	18,340	19,891	21,845
Corporate services		14,888	15,126	17,769	22,539	21,540	21,540	21,962	22,882	23,642
<i>Community and public safety</i>		91,507	43,237	53,870	48,818	53,014	53,014	37,655	37,203	39,049
Community and social services		4,969	5,597	6,006	7,160	7,407	7,407	9,104	9,119	9,488
Sport and recreation		9,904	11,839	12,570	14,703	14,667	14,667	15,580	16,426	17,211
Public safety		6,207	8,594	8,757	9,975	9,959	9,959	10,905	11,608	12,299
Housing		70,427	17,206	26,538	16,980	20,980	20,980	2,067	49	52
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		25,140	31,766	33,056	36,435	36,103	36,103	41,606	43,742	45,516
Planning and development		3,310	5,316	5,160	5,729	5,450	5,450	6,485	6,851	7,220
Road transport		20,332	25,401	27,087	29,319	29,100	29,100	34,269	36,037	37,441
Environmental protection		1,498	1,049	809	1,387	1,552	1,552	853	854	855
<i>Trading services</i>		82,907	101,378	111,256	119,503	120,792	120,792	126,677	138,375	150,763
Electricity		51,196	66,081	71,117	78,447	78,989	78,989	84,691	92,228	100,857
Water		14,101	14,735	18,809	18,383	19,179	19,179	18,085	19,941	22,215
Waste water management		10,410	11,287	11,966	12,838	13,018	13,018	13,653	15,259	15,467
Waste management		7,199	9,275	9,365	9,835	9,606	9,606	10,248	10,946	12,224
<i>Other</i>	4	2,180	1,216	1,378	2,033	2,033	2,033	1,987	2,063	2,144
Total Expenditure - Standard	3	252,421	239,781	261,820	278,614	282,123	282,123	280,543	296,413	317,033
Surplus/(Deficit) for the year		36,229	7,676	13,345	6,500	6,205	6,205	9,162	7,412	7,724



6.3 Budgeted financial performance (revenue and expenditure by municipal vote)

WC042 Hessequa - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote	1									
Vote 01 - Executive e & Council		17,720	21,935	23,480	29,118	29,182	29,182	30,679	32,523	34,132
Vote 02 - Budget & Treasury Office		49,421	51,231	53,640	58,685	57,204	57,204	59,888	64,057	68,213
Vote 03 - Corporate Services		1,227	10,154	1,570	1,614	1,587	1,587	1,393	1,273	1,356
Vote 04 - Planning & Development		1,430	4,545	2,163	1,980	1,980	1,980	1,913	3,018	6,087
Vote 05 - Community & Social Services		1,252	987	2,648	4,775	4,802	4,802	5,331	5,237	5,581
Vote 06 - Housing		70,357	17,237	26,542	16,960	20,960	20,960	2,072	58	62
Vote 07 - Public Safety		4,675	5,056	5,280	4,839	4,839	4,839	5,130	5,439	5,767
Vote 08 - Sport & Recreation		5,869	6,919	6,786	7,870	7,870	7,870	10,323	9,185	10,072
Vote 09 - Environmental Protection		133	144	83	175	475	475	185	197	209
Vote 10 - Waste Management		8,782	9,995	11,110	12,084	12,084	12,084	13,317	14,738	15,711
Vote 11 - Waste Water Management		27,711	14,896	18,717	17,944	17,343	17,343	22,963	23,728	21,305
Vote 12 - Road Transport		13,036	4,870	5,040	4,440	5,533	5,533	6,228	3,297	10,183
Vote 13 - Water		19,495	19,398	29,569	29,925	30,129	30,129	25,709	29,454	27,482
Vote 14 - Electricity		67,502	80,089	88,538	94,706	94,340	94,340	104,572	111,619	118,597
Vote 15 - Other		40	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	288,650	247,457	275,165	285,114	288,328	288,328	289,705	303,824	324,757
Expenditure by Vote to be appropriated	1									
Vote 01 - Executive e & Council		22,836	34,259	29,473	32,414	31,754	31,754	32,316	32,256	34,074
Vote 02 - Budget & Treasury Office		12,963	12,799	15,018	16,871	16,888	16,888	18,340	19,891	21,845
Vote 03 - Corporate Services		14,888	15,126	17,769	22,539	21,540	21,540	21,962	22,882	23,642
Vote 04 - Planning & Development		3,310	5,316	5,160	5,729	5,450	5,450	6,485	6,851	7,220
Vote 05 - Community & Social Services		4,969	5,597	6,006	7,160	7,407	7,407	9,104	9,119	9,488
Vote 06 - Housing		70,427	17,206	26,538	16,980	20,980	20,980	2,067	49	52
Vote 07 - Public Safety		6,207	8,594	8,757	9,975	9,959	9,959	10,905	11,608	12,299
Vote 08 - Sport & Recreation		9,904	11,839	12,570	14,703	14,667	14,667	15,580	16,426	17,211
Vote 09 - Environmental Protection		1,498	1,049	809	1,387	1,552	1,552	853	854	855
Vote 10 - Waste Management		7,199	9,275	9,365	9,835	9,606	9,606	10,248	10,946	12,224
Vote 11 - Waste Water Management		10,410	11,287	11,966	12,838	13,018	13,018	13,653	15,259	15,467
Vote 12 - Road Transport		20,332	25,401	27,087	29,319	29,100	29,100	34,269	36,037	37,441
Vote 13 - Water		14,101	14,735	18,809	18,383	19,179	19,179	18,085	19,941	22,215
Vote 14 - Electricity		51,196	66,081	71,117	78,447	78,989	78,989	84,691	92,228	100,857
Vote 15 - Other		2,180	1,216	1,378	2,033	2,033	2,033	1,987	2,063	2,144
Total Expenditure by Vote	2	252,421	239,781	261,820	278,614	282,123	282,123	280,543	296,413	317,033
Surplus/(Deficit) for the year	2	36,229	7,676	13,345	6,500	6,205	6,205	9,162	7,412	7,724



6.4 Budgeted financial performance (revenue and expenditure)

WC042 Hessequa - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	41,375	42,631	47,057	51,862	51,381	51,381	51,381	54,464	58,431	61,937
Property rates - penalties & collection charges		451	436	273	583	583	583	583	618	655	695
Service charges - electricity revenue	2	57,711	69,106	79,625	93,771	93,321	93,321	93,321	100,124	106,903	114,139
Service charges - water revenue	2	11,009	15,006	20,319	22,598	22,598	22,598	22,598	23,702	25,186	26,759
Service charges - sanitation revenue	2	10,134	11,543	13,503	17,094	17,094	17,094	17,094	18,777	20,001	21,305
Service charges - refuse revenue	2	8,709	9,781	11,034	12,021	12,021	12,021	12,021	12,835	13,673	14,566
Service charges - other		12,874	12,786	12,854	5,525	5,525	5,525	5,525	5,967	6,444	6,960
Rental of facilities and equipment		3,174	3,585	3,864	4,045	4,045	4,045	4,045	4,124	4,214	4,522
Interest earned - external investments		5,897	3,967	3,614	4,020	3,020	3,020	3,020	2,520	2,425	2,230
Interest earned - outstanding debtors		589	627	772	770	770	770	770	725	730	732
Dividends received											
Fines		2,570	2,633	2,891	2,500	2,500	2,500	2,500	2,637	2,793	2,959
Licences and permits		205	294	210	277	277	277	277	296	317	339
Agency services		1,199	1,221	1,314	1,248	1,248	1,248	1,248	1,320	1,397	1,478
Transfers recognised - operational		98,965	48,713	59,291	50,798	56,231	56,231	56,231	38,007	38,097	40,098
Other revenue	2	2,381	14,063	3,056	2,633	2,633	2,633	2,633	2,689	2,904	3,090
Gains on disposal of PPE		625	3,223	666	1,000	1,000	1,000	1,000	1,000	2,000	5,000
Total Revenue (excluding capital transfers and contributions)		257,868	239,615	260,343	270,745	274,247	274,247	274,247	269,806	286,171	306,808
Expenditure By Type											
Employee related costs	2	68,053	85,815	87,046	97,080	97,080	97,080	97,080	100,104	107,025	114,427
Remuneration of councillors		4,082	4,367	4,314	4,758	4,758	4,758	4,758	5,149	5,502	5,879
Debt impairment	3	2,106	3,393	2,912	3,089	3,089	3,089	3,089	3,275	3,471	3,679
Depreciation & asset impairment	2	12,767	15,598	16,792	17,741	17,741	17,741	17,741	19,511	20,546	21,039
Finance charges		4,260	5,601	7,631	9,414	8,814	8,814	8,814	8,336	9,808	11,767
Bulk purchases	2	35,832	44,874	55,775	63,667	63,628	63,628	63,628	68,996	74,838	81,199
Other materials	8										
Contracted services		803	3,172	3,236	4,210	4,106	4,106	4,106	4,383	4,602	4,834
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	124,519	76,960	83,766	78,656	82,908	82,908	82,908	70,790	70,620	74,209
Loss on disposal of PPE		-	-	347	-	-	-	-	-	-	-
Total Expenditure		252,421	239,781	261,820	278,614	282,123	282,123	282,123	280,543	296,413	317,033
Surplus/(Deficit)		5,447	(166)	(1,477)	(7,868)	(7,876)	(7,876)	(7,876)	(10,737)	(10,241)	(10,225)
Transfers recognised - capital		30,782	7,842	14,822	14,369	14,081	14,081	14,081	19,898	17,653	17,949
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724
Taxation											
Surplus/(Deficit) after taxation		36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		36,229	7,676	13,345	6,500	6,205	6,205	6,205	9,162	7,412	7,724



6.5 Budgeted Capital Expenditure by vote, standard classification and funding

WC042 Hessequa - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital multi-year expenditure sub-total	7										
Single-year expenditure to be appropriated	2										
Vote 01 - Executive & Council		–	6	1	–	–	–	–	12	–	3
Vote 02 - Budget & Treasury Office		17	54	217	335	294	294	294	98	20	11
Vote 03 - Corporate Services		1,811	2,075	1,956	2,740	2,590	2,590	2,590	749	554	431
Vote 04 - Planning & Development		–	–	–	4	4	4	4	–	10	6
Vote 05 - Community & Social Services		455	425	109	1,155	903	903	903	614	668	600
Vote 06 - Housing		–	24	–	–	–	–	–	–	–	–
Vote 07 - Public Safety		368	1,382	397	574	595	595	595	417	59	123
Vote 08 - Sport & Recreation		1,710	1,541	1,913	1,226	1,283	1,283	1,283	2,513	817	2,488
Vote 09 - Environmental Protection		14	–	–	–	25	25	25	–	–	–
Vote 10 - Waste Management		–	–	1,254	–	–	–	–	472	3,780	2,435
Vote 11 - Waste Water Management		16,732	3,934	7,891	5,745	5,134	5,134	5,134	8,838	4,871	1,631
Vote 12 - Road Transport		23,188	20,075	34,177	17,517	18,564	18,564	18,564	8,639	11,115	21,385
Vote 13 - Water		5,626	4,032	5,536	11,710	11,498	11,498	11,498	5,445	10,121	5,379
Vote 14 - Electricity		10,789	9,380	11,775	7,909	7,225	7,225	7,225	19,524	23,198	18,913
Vote 15 - Other		–	197	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		60,708	43,125	65,226	48,915	48,114	48,114	48,114	47,320	55,212	53,403
Total Capital Expenditure - Vote		60,708	43,125	65,226	48,915	48,114	48,114	48,114	47,320	55,212	53,403
Capital Expenditure - Standard											
Governance and administration		1,828	2,136	2,174	3,075	2,884	2,884	2,884	859	574	445
Executive and council		–	6	1	–	–	–	–	12	–	3
Budget and treasury office		17	54	217	335	294	294	294	98	20	11
Corporate services		1,811	2,075	1,956	2,740	2,590	2,590	2,590	749	554	431
Community and public safety		2,532	3,372	2,419	2,955	2,781	2,781	2,781	3,543	1,543	3,210
Community and social services		455	425	109	1,155	903	903	903	614	668	600
Sport and recreation		1,710	1,541	1,913	1,226	1,283	1,283	1,283	2,513	817	2,488
Public safety		368	1,382	397	574	595	595	595	417	59	123
Housing		–	24	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		23,202	20,075	34,177	17,521	18,593	18,593	18,593	8,639	11,125	21,391
Planning and development		–	–	–	4	4	4	4	–	10	6
Road transport		23,188	20,075	34,177	17,517	18,564	18,564	18,564	8,639	11,115	21,385
Environmental protection		14	–	–	–	25	25	25	–	–	–
Trading services		33,146	17,345	26,455	25,365	23,857	23,857	23,857	34,279	41,970	28,357
Electricity		10,789	9,380	11,775	7,909	7,225	7,225	7,225	19,524	23,198	18,913
Water		5,626	4,032	5,536	11,710	11,498	11,498	11,498	5,445	10,121	5,379
Waste water management		16,732	3,934	7,891	5,745	5,134	5,134	5,134	8,838	4,871	1,631
Waste management		–	–	1,254	–	–	–	–	472	3,780	2,435
Other		–	197	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	3	60,708	43,125	65,226	48,915	48,114	48,114	48,114	47,320	55,212	53,403
Funded by:											
National Government		9,006	6,722	12,727	14,188	13,900	13,900	13,900	17,991	17,653	17,949
Provincial Government		1,599	110	2,096	181	181	181	181	1,908	–	–
District Municipality		10	990	–	–	–	–	–	–	–	–
Other transfers and grants		23,028	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	33,643	7,822	14,823	14,369	14,081	14,081	14,081	19,898	17,653	17,949
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	13,931	17,796	21,608	16,250	16,139	16,139	16,139	25,061	34,335	31,520
Internally generated funds		13,134	17,507	28,796	18,296	17,894	17,894	17,894	2,360	3,224	3,933
Total Capital Funding	7	60,708	43,125	65,227	48,915	48,114	48,114	48,114	47,320	55,212	53,403



6.6 Budgeted Financial Position

WC042 Hessequa - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash		6	2,102	9	1,122	1,122	1,122	1,122	6	8	12
Call investment deposits	1	62,440	70,021	34,239	14,302	15,431	15,431	15,431	20,425	26,437	15,894
Consumer debtors	1	28,043	24,146	28,173	18,665	18,665	18,665	18,665	22,706	23,455	30,948
Other debtors		4,083	2,918	3,653	382	382	382	382	382	382	380
Current portion of long-term receivables		2	2	2	2	2	2	2	2	2	2
Inventory	2	896	818	790	840	840	840	840	845	853	861
Total current assets		95,469	100,006	66,866	35,312	36,441	36,441	36,441	44,366	51,137	48,097
Non current assets											
Long-term receivables		28	26	24	23	23	23	23	21	19	17
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		60,699	43,450	43,450	43,450	43,450	43,450	43,450	43,450	43,450	43,450
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	460,573	506,947	555,216	589,974	589,173	589,173	589,173	616,981	651,647	684,011
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		379	366	352	366	366	366	366	366	366	366
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		521,679	550,789	599,043	633,812	633,011	633,011	633,011	660,818	695,482	727,844
TOTAL ASSETS		617,148	650,796	665,909	669,124	669,452	669,452	669,452	705,184	746,619	775,941
LIABILITIES											
Current liabilities											
Bank overdraft	1	1,549	-	4,564	-	-	-	-	-	-	-
Borrowing	4	5,804	8,248	8,652	10,087	10,087	10,087	10,087	10,819	10,719	13,364
Consumer deposits		3,120	3,253	3,254	3,363	3,363	3,363	3,363	3,418	3,473	3,593
Trade and other payables	4	34,780	41,674	42,774	21,762	21,762	21,762	21,762	28,700	35,680	30,020
Provisions		6,173	7,781	9,431	9,987	9,987	9,987	9,987	11,374	11,659	11,765
Total current liabilities		51,425	60,956	68,676	45,199	45,199	45,199	45,199	54,312	61,531	58,742
Non current liabilities											
Borrowing		42,117	56,356	47,717	77,432	77,432	77,432	77,432	92,406	115,922	136,723
Provisions		26,160	35,783	38,471	38,108	38,732	38,732	38,732	41,126	44,415	48,000
Total non current liabilities		68,277	92,139	86,188	115,540	116,164	116,164	116,164	133,532	160,337	184,723
TOTAL LIABILITIES		119,702	153,095	154,864	160,740	161,364	161,364	161,364	187,844	221,868	243,465
NET ASSETS	5	497,446	497,701	511,045	508,384	508,088	508,088	508,088	517,340	524,751	532,476
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		464,517	454,767	494,547	495,590	495,294	495,294	495,294	505,816	513,952	520,609
Reserves	4	32,928	42,935	16,497	12,884	12,884	12,884	12,884	11,524	10,800	11,867
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	497,445	497,701	511,045	508,474	508,178	508,178	508,178	517,340	524,752	532,476



6.7 Budgeted Cash Flows

WC042 Hessequa - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		139,194	175,482	192,743	214,927	213,996	213,996	213,996	223,931	239,429	254,538
Government - operating	1	97,743	50,165	58,184	50,798	56,231	56,231	56,231	38,007	38,097	40,098
Government - capital	1	30,782	7,842	15,929	14,369	14,081	14,081	14,081	19,898	17,653	17,949
Interest		6,938	5,031	3,614	4,020	3,020	3,020	3,020	2,520	2,425	2,230
Dividends											
Payments											
Suppliers and employees		(255,325)	(208,123)	(232,155)	(248,370)	(250,750)	(250,750)	(250,750)	(240,166)	(252,298)	(282,463)
Finance charges		(4,260)	(5,601)	(7,631)	(9,414)	(8,814)	(8,814)	(8,814)	(8,336)	(9,808)	(11,767)
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		15,072	24,796	30,684	26,330	27,763	27,763	27,763	35,855	35,497	20,586
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		712	3,225	745	1,000	1,000	1,000	1,000	1,000	2,000	5,000
Decrease (Increase) in non-current debtors		198	(8)	–	2	2	2	2	2	2	–
Decrease (increase) other non-current receivables		–	–	(6)	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(61,577)	(43,144)	(65,628)	(48,915)	(48,114)	(48,114)	(48,114)	(47,320)	(55,212)	(53,403)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(60,666)	(39,928)	(64,889)	(47,913)	(47,112)	(47,112)	(47,112)	(46,318)	(53,210)	(48,403)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing		12,012	26,224	–	16,250	16,250	16,250	16,250	25,061	34,335	31,520
Increase (decrease) in consumer deposits		66	134	1	55	55	55	55	100	110	120
Payments											
Repayment of borrowing		–	–	(8,235)	(10,087)	(10,087)	(10,087)	(10,087)	(10,819)	(10,719)	(13,364)
NET CASH FROM/(USED) FINANCING ACTIVITIES		12,078	26,358	(8,234)	6,218	6,218	6,218	6,218	14,342	23,726	18,276
NET INCREASE/ (DECREASE) IN CASH HELD		(33,516)	11,226	(42,439)	(15,366)	(13,131)	(13,131)	(13,131)	3,879	6,014	(9,541)
Cash/cash equivalents at the year begin:	2	94,413	60,897	72,124	27,910	29,684	29,684	29,684	16,553	20,432	26,446
Cash/cash equivalents at the year end:	2	60,897	72,124	29,684	12,544	16,553	16,553	16,553	20,432	26,446	16,905



6.8 Cash Backed Reserve / Accumulated Surplus Reconciliation

WC042 Hessequa - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

W3642 Hesseque - Table A3 Consolidated Cash Backed Reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	60,897	72,124	29,684	12,544	16,553	16,553	16,553	20,432	26,446	16,905
Other current investments > 90 days		(0)	(1)	(0)	2,879	(1)	(1)	(1)	(1)	(1)	(999)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		60,897	72,123	29,684	15,424	16,553	16,553	16,553	20,431	26,445	15,906
Application of cash and investments											
Unspent conditional transfers		11,307	6,925	2,841	200	200	200	200	700	680	520
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(5,898)	8,873	8,734	2,493	2,493	2,493	2,493	5,331	11,557	(1,248)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	43	42,985	107	14,284	14,334	14,334	14,334	11,574	10,850	11,917
Total Application of cash and investments:		5,452	58,783	11,683	16,977	17,027	17,027	17,027	17,605	23,087	11,189
Surplus(shortfall)		55,445	13,340	18,001	(1,554)	(475)	(475)	(475)	2,826	3,358	4,717



6.9 Asset Management

WC042 Hessequa - Table A9 Consolidated Asset Management

WC042 nessequa - Table A9 Consolidated Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	32,839	16,150	24,086	31,937	31,242	31,242	31,835	39,612	35,527
Infrastructure - Road transport		4,349	5,551	6,794	8,400	9,646	9,646	4,532	5,528	13,459
Infrastructure - Electricity		3,051	367	3,721	2,000	1,310	1,310	14,000	18,300	12,400
Infrastructure - Water		5,185	3,467	4,400	8,318	8,160	8,160	2,828	5,552	1,670
Infrastructure - Sanitation		15,862	1,052	4,647	4,214	3,579	3,579	5,286	3,743	—
Infrastructure - Other		—	—	75	—	—	—	—	150	100
Infrastructure		28,447	10,438	19,638	22,933	22,695	22,695	26,646	33,273	27,629
Community		1,762	1,851	1,322	1,724	1,454	1,454	820	850	1,355
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	1,050	1,050	1,050	—	—	—
Other assets	6	2,631	3,861	3,126	6,230	6,044	6,044	4,368	5,489	6,542
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
<u>Total Renewal of Existing Assets</u>	2	27,868	26,974	41,139	16,978	16,872	16,872	15,485	15,600	17,876
Infrastructure - Road transport		16,500	11,416	25,499	6,866	6,866	6,866	2,471	4,400	5,400
Infrastructure - Electricity		7,605	8,796	7,572	5,650	5,650	5,650	5,160	4,720	5,300
Infrastructure - Water		441	564	965	2,407	2,274	2,274	2,610	3,820	3,635
Infrastructure - Sanitation		112	1,697	2,394	795	878	878	1,985	765	667
Infrastructure - Other		—	—	—	—	—	—	472	1,130	1,315
Infrastructure		24,658	22,473	36,429	15,718	15,669	15,669	12,698	14,835	16,317
Community		903	524	1,371	580	705	705	2,502	555	1,367
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	2,307	3,978	3,339	680	498	498	285	210	192
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
<u>Total Capital Expenditure</u>	4									
Infrastructure - Road transport		20,849	16,967	32,293	15,266	16,512	16,512	7,003	9,928	18,859
Infrastructure - Electricity		10,656	9,163	11,293	7,650	6,960	6,960	19,160	23,020	17,700
Infrastructure - Water		5,626	4,032	5,365	10,725	10,434	10,434	5,438	9,372	5,305
Infrastructure - Sanitation		15,974	2,749	7,041	5,009	4,458	4,458	7,271	4,508	667
Infrastructure - Other		—	—	75	—	—	—	472	1,280	1,415
Infrastructure		53,105	32,911	56,067	38,651	38,363	38,363	39,344	48,108	43,946
Community		2,665	2,375	2,694	2,304	2,159	2,159	3,322	1,405	2,722
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	1,050	1,050	1,050	—	—	—
Other assets	4,938	7,839	6,465	6,465	6,910	6,542	6,542	4,653	5,699	6,734
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	2	60,708	43,125	65,226	48,915	48,114	48,114	47,320	55,212	53,403
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	20,850	85,072	115,127	113,272	114,518	114,518	117,246	122,672	136,921
Infrastructure - Electricity		10,636	34,042	43,445	49,825	49,135	49,135	66,892	88,434	104,621
Infrastructure - Water		5,626	35,492	39,557	49,711	49,420	49,420	52,171	58,713	61,120
Infrastructure - Sanitation		15,925	53,379	59,192	64,158	63,607	63,607	67,394	68,233	65,143
Infrastructure - Other		—	298,963	297,895	313,008	313,008	313,008	313,293	313,622	316,246
Infrastructure		53,037	506,947	555,216	589,974	589,688	589,688	616,996	651,674	684,051
Community		773	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		60,699	43,450	43,450	43,450	43,450	43,450	43,450	43,450	43,450
Other assets		7,749	—	—	—	—	—	—	—	—
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		379	366	352	366	366	366	366	366	366
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	122,638	550,763	599,018	633,790	633,504	633,504	660,812	695,490	727,867
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>		12,767	15,598	16,792	17,741	17,741	17,741	19,511	20,546	21,039
<u>Repairs and Maintenance by Asset Class</u>	3	11,552	12,476	11,026	12,510	12,415	12,415	17,996	18,680	19,571
Infrastructure - Road transport		2,530	2,801	2,008	2,326	2,326	2,326	2,384	2,200	2,325
Infrastructure - Electricity		1,482	1,439	1,557	1,468	1,468	1,468	2,704	2,876	3,075
Infrastructure - Water		323	634	328	451	516	516	3,400	3,614	3,844
Infrastructure - Sanitation		228	485	262	328	328	328	1,345	1,476	1,574
Infrastructure - Other		187	222	133	179	179	179	183	188	194
Infrastructure		4,750	5,582	4,288	4,752	4,817	4,817	10,017	10,355	11,011
Community		107	367	106	345	265	265	131	136	141
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6, 7	6,694	6,527	6,633	7,413	7,333	7,333	7,848	8,189	8,418
TOTAL EXPENDITURE OTHER ITEMS		24,319	28,074	27,819	30,250	30,156	30,156	37,506	39,225	40,610



6.10 Basic service delivery measurement

WC042 Hessequa - Table A10 Consolidated basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		12,696	12,696	18,535	12,950	12,950	12,950	19,462	20,435	21,457
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	165	–	–	–	173	182	191
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		12,696	12,696	18,700	12,950	12,950	12,950	19,635	20,617	21,648
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	12,696	12,696	18,700	12,950	12,950	12,950	19,635	20,617	21,648
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		10,200	10,350	16,577	10,724	10,724	10,724	17,406	18,276	19,190
Flush toilet (with septic tank)		2,047	2,083	1,518	2,141	2,141	2,141	1,594	1,674	1,757
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	440	–	–	–	462	485	509
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		12,247	12,433	18,535	12,865	12,865	12,865	19,462	20,435	21,456
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	12,247	12,433	18,535	12,865	12,865	12,865	19,462	20,435	21,456
Energy:										
Electricity (at least min.service level)		4,881	4,996	4,749	5,157	5,157	5,157	4,986	5,236	5,498
Electricity - prepaid (min.service level)		7,605	7,801	9,713	8,034	8,034	8,034	10,199	10,709	11,244
<i>Minimum Service Level and Above sub-total</i>		12,486	12,797	14,462	13,191	13,191	13,191	15,185	15,945	16,742
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	12,486	12,797	14,462	13,191	13,191	13,191	15,185	15,945	16,742
Refuse:										
Removed at least once a week		12,464	–	19,077	13,040	13,040	13,040	20,031	21,032	22,084
<i>Minimum Service Level and Above sub-total</i>		12,464	–	19,077	13,040	13,040	13,040	20,031	21,032	22,084
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	12,464	–	19,077	13,040	13,040	13,040	20,031	21,032	22,084
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		3,299	4,375	5,970	5,000	5,000	5,000	5,100	5,100	5,100
Sanitation (free minimum level service)		3,298	4,204	4,729	5,000	5,000	5,000	5,100	5,100	5,100
Electricity/other energy (50kwh per household per month)		3,298	4,375	4,375	5,000	5,000	5,000	5,100	5,100	5,100
Refuse (removed at least once a week)		3,298	3,216	4,729	5,000	5,000	5,000	5,100	5,100	5,100
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		2,398	1,433	1,317	1,523	1,523	357	1,923	2,115	2,327
Sanitation (free sanitation service)		3,152	3,250	4,377	5,311	5,311	402	5,311	5,576	5,855
Electricity/other energy (50kwh per household per month)		2,270	1,710	2,119	2,406	2,406	200	2,354	2,570	2,807
Refuse (removed once a week)		2,539	2,742	3,092	4,238	4,238	332	4,238	4,450	4,672
Total cost of FBS provided (minimum social package)		10,359	9,136	10,906	13,477	13,477	1,292	13,825	14,711	15,660
Highest level of free service provided										
Property rates (R value threshold)		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		2,771	3,030	3,354	3,578	3,578	3,578	3,793	4,021	4,262
Property rates (other exemptions, reductions and rebates)		919	992	1,118	1,306	1,306	1,306	1,174	1,237	1,304
Water		3,297	3,407	2,509	4,289	4,289	4,289	4,733	5,065	5,424
Sanitation		3,152	3,250	4,377	4,826	4,826	4,826	5,311	5,576	5,855
Electricity/other energy		1,583	1,710	2,119	2,406	2,406	2,406	2,354	2,570	2,807
Refuse		2,539	2,742	3,092	3,981	3,981	3,981	4,238	4,450	4,672
Municipal Housing - rental rebates		–	–	–	–	–	–	25	26	28
Housing - top structure subsidies		–	–	–	–	–	–	98	102	108
Other	6	307	307	280	309	309	309	302	318	333



6.11 Other Supporting Tables

WC042 Hessequa - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	3,761	3,761	12,000	3,761	3,761	3,761	3,761	3,761	3,761	3,761	3,761	2,827	53,374	57,683	60,699
Property rates - penalties & collection charges	52	52	52	52	52	52	52	52	52	52	52	52	605	642	681
Service charges - electricity revenue	8,176	8,176	8,176	8,176	8,176	8,176	8,176	8,176	8,176	8,176	8,176	8,050	98,121	104,765	111,856
Service charges - water revenue	1,935	1,935	1,935	1,935	1,935	1,935	1,935	1,935	1,935	1,935	1,935	1,872	23,227	24,682	26,224
Service charges - sanitation revenue	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,533	1,343	18,401	19,601	20,879
Service charges - refuse revenue	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,070	12,578	13,400	14,275
Service charges - other	487	487	487	487	487	487	487	487	487	487	487	491	5,847	6,315	6,821
Rental of facilities and equipment	344	344	344	344	344	344	344	344	344	344	344	344	4,124	4,214	4,522
Interest earned - external investments	210	210	210	210	210	210	210	210	210	210	210	210	2,520	2,425	2,230
Interest earned - outstanding debtors	59	59	59	59	59	59	59	59	59	59	59	60	711	715	717
Dividends received															
Fines	220	220	220	220	220	220	220	220	220	220	220	220	2,637	2,793	2,959
Licences and permits	25	25	25	25	25	25	25	25	25	25	25	25	296	317	339
Agency services	110	110	110	110	110	110	110	110	110	110	110	110	1,320	1,397	1,478
Transfer receipts - operational	15,754	889		2,493	190	7,191		1,482	10,007				38,007	38,097	40,098
Other revenue	220	220	220	220	220	220	220	220	220	220	220	266	2,689	2,904	3,090
Cash Receipts by Source	33,933	19,068	26,418	20,672	18,369	25,370	18,179	19,661	28,186	18,179	18,179	16,939	264,458	279,951	296,866
Other Cash Flows by Source															
Transfer receipts - capital	7,368	185	185	211	3,731	185	185	211	7,086	185	185	181	19,898	17,653	17,949
Contributions recognised - capital & Contributed															
Proceeds on disposal of PPE	83	83	83	83	83	83	83	83	83	83	83	87	1,000	2,000	5,000
Short term loans															
Borrowing long term/refinancing												25,061	25,061	34,335	31,520
Increase (decrease) in consumer deposits	5	9	(0)	0	0	7	12	4	5	5	5	50	100	110	120
Decrease (increase) in non-current debtors					1	0			0	0	0	0	2	2	
Decrease (increase) other non-current receivable															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	41,389	19,345	26,686	20,966	22,184	25,645	18,459	19,959	35,360	18,452	18,452	42,318	310,519	334,051	351,455
Cash Payments by Type															
Employee related costs	7,618	7,618	7,618	7,618	13,294	7,918	7,618	7,618	7,618	7,618	7,618	10,331	97,086	103,736	110,842
Remuneration of councillors	429	429	429	429	429	429	429	429	429	429	429	429	5,149	5,502	5,879
Finance charges						4,168						4,168	8,336	9,808	11,767
Bulk purchases - Electricity	5,384	5,384	5,385	5,384	5,384	5,385	5,384	5,384	5,385	5,384	5,384	5,385	64,614	69,783	75,365
Bulk purchases - Water & Sewer	365	365	365	365	365	365	365	365	365	365	365	365	4,383	5,055	5,833
Other materials															
Contracted services	307	307	307	377	342	586	537	328	307	370	307	306	4,383	4,602	4,834
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	6,824	5,614	6,137	5,614	5,614	6,137	5,614	5,614	6,060	5,684	5,663	6,215	70,790	70,620	74,209
Cash Payments by Type	20,928	19,717	20,242	19,787	25,428	24,989	19,947	19,738	20,164	19,851	19,767	27,200	254,740	269,106	288,729
Other Cash Flows/Payments by Type															
Capital assets	880	1,030	1,059	1,474	1,423	1,524	3,025	6,736	9,057	9,369	7,079	4,664	47,320	55,212	53,403
Repayment of borrowing						5,409						5,409	10,819	10,719	13,364
Other Cash Flows/Payments	21,762											(28,000)	(6,238)	(7,000)	5,500
Total Cash Payments by Type	43,570	20,747	21,301	21,261	26,851	31,923	22,972	26,474	29,221	29,220	26,846	9,273	306,640	328,037	360,997
NET INCREASE/(DECREASE) IN CASH HELD	(2,181)	(1,402)	5,385	(295)	(4,667)	(6,278)	(4,514)	(6,515)	6,139	(10,768)	(8,394)	33,045	3,879	6,014	(9,541)
Cash/cash equivalents at the month/year begin:	16,553	14,372	12,970	18,355	18,060	13,393	7,116	2,602	(3,913)	2,226	(8,542)	(16,936)	16,553	20,432	26,446
Cash/cash equivalents at the month/year end:	14,372	12,970	18,355	18,060	13,393	7,116	2,602	(3,913)	2,226	(8,542)	(16,936)	16,109	20,432	26,446	16,905



6.12 Household Bills

WC042 Hessequa - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		168.75	209.90	228.80	249.38	249.38	249.38	6.0%	264.33	280.19	297.00
Electricity: Basic levy		253.76	341.00	374.00	417.00	417.00	417.00	(42.4%)	240.00	255.12	271.19
Electricity: Consumption		162.00	537.00	733.00	817.30	817.30	817.30	37.5%	1,124.00	1,194.81	1,270.09
Water: Basic levy		42.98	47.25	72.00	78.00	78.00	78.00	6.4%	83.00	87.98	93.26
Water: Consumption		59.85	105.00	127.50	138.00	138.00	138.00	6.5%	147.00	155.82	165.17
Sanitation		74.52	80.08	86.25	93.00	93.00	93.00	7.5%	100.00	107.00	114.49
Refuse removal		56.96	61.25	66.00	71.00	71.00	71.00	5.6%	75.00	79.50	84.27
Other		-	-	-	-	-	-	-	-	-	-
sub-total		818.82	1,381.48	1,687.55	1,863.68	1,863.68	1,863.68	9.1%	2,033.33	2,160.42	2,295.47
VAT on Services		91.01	164.02	204.23	226.00	226.00	226.00	(5.1%)	247.66	263.23	279.79
Total large household bill:		909.83	1,545.50	1,891.78	2,089.68	2,089.68	2,089.68	9.2%	2,280.99	2,423.65	2,575.26
% increase/-decrease			69.9%	22.4%	10.5%	-	-		9.2%	6.3%	6.3%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		168.75	145.31	158.40	172.65	172.65	172.65	6.0%	183.00	193.98	205.62
Electricity: Basic levy		253.76	341.00	374.00	417.00	417.00	417.00	(42.4%)	240.00	255.12	271.19
Electricity: Consumption		162.00	268.50	335.00	375.42	375.42	375.42	23.9%	465.00	494.30	525.44
Water: Basic levy		42.98	47.25	72.00	78.00	78.00	78.00	6.4%	83.00	87.98	93.26
Water: Consumption		59.85	87.50	105.00	113.50	113.50	113.50	6.6%	121.00	128.26	135.96
Sanitation		74.52	80.08	86.25	93.00	93.00	93.00	7.5%	100.00	107.00	114.49
Refuse removal		56.96	61.25	66.00	71.00	71.00	71.00	5.6%	75.00	79.50	84.27
Other		-	-	-	-	-	-	-	-	-	-
sub-total		818.82	1,030.89	1,196.65	1,320.57	1,320.57	1,320.57	(4.1%)	1,267.00	1,346.14	1,430.23
VAT on Services		91.01	123.98	145.36	160.70	160.70	160.70	(5.6%)	151.76	161.30	171.44
Total small household bill:		909.83	1,154.87	1,342.01	1,481.27	1,481.27	1,481.27	(4.2%)	1,418.76	1,507.44	1,601.67
% increase/-decrease			26.9%	16.2%	10.4%	-	-		(4.2%)	6.3%	6.3%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		93.75	81.48	88.00	95.92	95.92	95.92	6.0%	101.67	107.77	114.23
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		185.40	213.90	243.00	257.58	257.58	257.58	14.3%	261.00	277.44	294.92
Water: Basic levy		43.00	47.00	72.00	78.00	78.00	78.00	6.4%	83.00	87.98	93.26
Water: Consumption		44.24	49.00	58.50	89.00	89.00	89.00	6.6%	67.40	71.44	75.73
Sanitation		73.00	80.00	86.25	93.00	93.00	93.00	7.5%	100.00	107.00	114.49
Refuse removal		55.80	61.00	66.00	71.00	71.00	71.00	5.6%	75.00	79.50	84.27
Other		-	-	-	-	-	-	-	-	-	-
sub-total		495.19	532.38	613.75	684.50	684.50	684.50	0.5%	688.07	731.13	776.90
VAT on Services		56.20	63.13	73.61	82.40	82.40	82.40	(31.3%)	82.10	87.27	92.77
Total small household bill:		551.39	595.51	687.36	766.90	766.90	766.90	0.4%	770.17	818.40	869.67
% increase/-decrease			8.0%	15.4%	11.6%	-	-		0.4%	6.3%	6.3%



7. SUPPORTING DOCUMENTATION

7.1 Budget – related Policies overview and amendments

OVERVIEW OF BUDGET – RELATED POLICIES

Proper budgets are prepared in accordance with approved policies. A budget-related policy is a municipal policy affecting or affected by the annual budget of the municipality. These policies are necessary for effective financial management and the achievement of priorities and strategic goals of the community. The budget-related policies are reviewed annually during the budget preparation process.

Below is a list of the budget-related policies, including the purpose, last approval date of policy and if any amendments need to be approved by council.

Policy Name	Purpose of Policy (what is included in the policy)	Last approved	Amendments to be approved (YES / NO)
Property Rates Policy	Prescribes uniform rates structures to give effect to its strategic objectives in terms of the IDP and Budget requirements	29/05/2012	YES
Credit Control and Debt Collection Policy	Sets a revenue collection target and outlines how the municipality will act against defaulters. Specifies the framework for providing relief from the burden of rates and tariffs to registered or otherwise identified indigents	29/05/2012	YES
Indigent Policy	To ensure that the subsidy scheme for indigent households forms part of the financial management system of Hessequa Municipality and to ensure that the same procedure is followed for each individual case.	29/05/2012	YES
Principles and Policy on Tariffs and Free Basic Services	Prescribes uniform tariff structures on the levying of fees for municipal services provided.	29/05/2012	YES

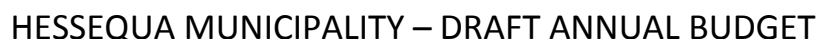


Cash Management and Investment Policy	The policy is aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes.	29/05/2012	YES
Asset Management Policy	Includes capitalisation benchmarks, depreciation norms and maintenance requirements	29/05/2012	YES
Virement Policy	The process of transferring an approved budgetary provision from one operating cost element or capital project to another during a municipal financial year	29/05/2012	YES
Supply Chain Management Policy	Demand, acquisition, disposal and logistics around the procurement of goods and services	29/05/2012	YES



7.2 Vacant Posts 2013/2014

HESSEQUA MUNISIPALITEIT									
VAKANTE POSTE M.B.T BEDANKINGS, AFTREDE, MEDIESE ONGESKIKTHEID SOOS OP 19 MAART 2013									
DORP	AANTAL	DEPT		VAKANT	POS	SALARIS	TOTALE	MNDE	BESKRYWING
	POSTE				VLAK	SKAAL	KOSTE	BEGROOT	
							RAAD		
RIVERSDAL	1	151002	FINANSIES RIVERSDAL	VAKANT	T11	202,959	279,170	X12	HOOFKLERK AANKOPE(J BOOYSEN 0173)
RIVERSDAL	2	151002	FINANSIES RIVERSDAL	VAKANT	T12	214,616	293,514	X12	REKENMEESTER-BATE/VERSEKERING
RIVERSDAL	3	151002	FINANSIES RIVERSDAL	VAKANT	T12	214,616	293,514	X12	REKENMEESTER-FIN STATE/ODUIT BES
RIVERSDAL	4	151002	FINANSIES RIVERSDAL	VAKANT	T11	181,787	245,377	X12	ASSIST REKENM BEGROT & STATISTIEKE
RIVERSDAL	5	151002	FINANSIES RIVERSDAL	VAKANT	T11	181,787	245,377	X12	ASSIST REKENM BATES EN VERSEKERING
RIVERSDAL	6	151002	FINANSIES RIVERSDAL	VAKANT	T11	181,787	245,377	X12	ASSIST REKENM TENDER ADMIN
RIVERSDAL	7	151002	FINANSIES RIVERSDAL	VAKANT	T7	107,890	150,019	X12	KLERK VOORSIENINGSKANAAL (0291 M L MGENCE)
STILBAAI	8	151003	FINANSIES STILBAAI	VAKANT	T6	89,241	126,438	X12	KLERK(E J STOFFELS ST051)
HEIDELBERG	9	151004	FINANSIES HEIDELBERG	VAKANT	T6	89,241	126,438	X12	KLERK (M PIETERSEN ST207)
HEIDELBERG	10	151004	FINANSIES HEIDELBERG	VAKANT	T6	89,241	126,438	X12	KASSIERE (M B FEBRUARY H026)
RIVERSDAL	11	154010	HUMAN RESOURCES	VAKANT	T6	89,241	126,438	X12	PERSONELKLERK (F ADAMS 0321)
STILBAAI	12	158503	KORPORATIEF	VAKANT	T3	67,142	97,087	X12	SKOONMAKER / TEEMAKER(MA ISAACS ST164)
RIVERSDAL	13	159002	GEMEENSKAPS	VAKANT	T7	107,890	149,858	X12	GEMEENSKAPSONTWIKKELAAR
RIVERSDAL	14	159002	GEMEENSKAPS	VAKANT	T7	107,890	149,858	X12	GEMEENSKAPSONTWIKKELAAR
RIVERSDAL	15	159002	GEMEENSKAPS	VAKANT	T7	107,890	149,858	X12	GEMEENSKAPSONTWIKKELAAR
RIVERSDAL	16	201010	TOWN PLANNING	VAKANT	T8	121,473	171,299	X12	ASST OMGEWINGSBEAMPT
RIVERSDAL	17	201010	TOWN PLANNING	VAKANT	T11	181,787	245,377	X12	ASST STADSBEPLANNER
RIVERSDAL	18	203010	LOCAL ECONOMIC DEVELOPM	VAKANT	T14	344,852	579,430	X12	HOOF EKONOMIESE ONTWIKKELING & TOERISME
RIVERSDAL	19	301002	COMM BIB	VAKANT	T11	181,787	245,377	X12	BIBLIOTEKARESSE
RIVERSDAL	20	303002	MUSEUM	VAKANT	KONTR	57,585	64,283	X12	KURATRISSE (HMS KARSTENS 0532)
RIVERSDAL	21	401002	VERKEER	VAKANT	T3	67,142	97,087	X12	NUTSMAN WERKER PADTEKENS (P ROSSEAU 0126)
STILBAAI	22	451003	PARKE	VAKANT	T5	75,586	100,062	X12	LEIERWERKER (ST149 A W MANHO)
STILBAAI	23	451003	PARKE	VAKANT	T4	68,743	89,099	X12	MASJENHANTEERDER
STILBAAI	24	451003	PARKE	VAKANT	T4	68,743	89,099	X12	MASJENHANTEERDER
STILBAAI	25	451003	PARKE	VAKANT	T4	68,743	89,099	X12	MASJENHANTEERDER
RIVERSDAL	26	551002	SEWERAGE RIVERSDAL	VAKANT	T11	181,787	245,500	X12	KOORDINEERDER: PROJEK BESTUUR(MIC GEFINANSIER)
STILBAAI	27	551003	SEWERAGE STILBAAI	VAKANT	T6	89,241	126,438	X12	SKOFMAN
HEIDELBERG	28	551004	SEWERAGE HEIDELBERG	VAKANT	T6	89,241	126,438	X12	SKOFMAN
HEIDELBERG	29	551004	SEWERAGE HEIDELBERG	VAKANT	T7	107,890	150,019	X12	TOESIGHOUER (W K STEYN A089)
STILBAAI	30	551013	SEPTIC TANKS STILBAAI	VAKANT	T6	89,241	126,438	X12	SUIGTENK OPERATEUR(ST115 D PIETERSE)
RIVERSDAL	31	555002	SOLID WASTE RIVERSDAL	VAKANT	T2	65,570	84,990	X12	ALG WERKER (J DE VILLIERS 0028)
SLANGRIVIER	32	601007	PUBLIC WORKS SLANGRIVIER	VAKANT	T6	89,242	118,079	X12	TREKKER BEST (SL004 J BOEZAK)
SLANGRIVIER	33	601007	PUBLIC WORKS SLANGRIVIER	VAKANT	T4	68,743	90,946	X12	ALG WERKER (SL020 J A C DOMINGO)
RIVERSDAL	34	601002	PUBLIC WORKS RIVERSDAL	VAKANT	T3	67,142	97,087	X12	MASJENHANTEERDER(0158 E T MOKOENA)
STILBAAI	35	601003	PUBLIC WORKS	VAKANT	T3	67,142	97,087	X12	ALGEMENE WERKERS
STILBAAI	36	601003	PUBLIC WORKS	VAKANT	T3	67,142	97,087	X12	ALGEMENE WERKERS
HEIDELBERG	37	601004	PUBLIC WORKS	VAKANT	T6	89,241	126,438	X12	VRAGMOTOR BEST (H078 J J DUITSTER)
HEIDELBERG	38	601004	PUBLIC WORKS HEIDELBERG	VAKANT	T6	89,241	126,438	X12	OPERATEUR (C P SEPTEMBER H140)
ALBERTINIA	39	601005	PUBLIC WORKS	VAKANT	T6	89,241	126,438	X12	OPERATEUR-TLB
HEIDELBERG	40	651024	WATER HEIDELBERG	VAKANT	T3	67,142	97,087	X12	WATERFISKAAL (J LOTZ H151)
RIVERSDAL	41	701002	ELEK RIVERSDAL	VAKANT	T15	313,640	521,846	X12	BEST ELEKTROMEGANIESE DIENS (G MANS 0021)
HEIDELBERG	42	701004	ELEK HEIDELBERG	VAKANT	T10	153,981	214,946	X12	ELEKTRISIEN
RIVERSDAL	43	751010	TOERISME	VAKANT	T12	214,616	400,163	X12	HOOF SOSIALE ONTWIKKELING
						5,269,142	7,548,438		



7.3 New Posts 2013/2014

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